



City of Surrey

Audit Committee

Minutes

Councillors Boardroom
City Hall
14245 - 56 Avenue
Surrey, B.C.
MONDAY, APRIL 20, 2009
Time: 12:08 p.m.

Present:

Chairperson – Councillor Gill
Councillor Steele
Councillor Hunt

Absent:

Staff Present:

City Manager
Deputy City Manager
General Manager, Finance & Technology
Deputy City Clerk, Legislative Services
Manager, Financial Services

KPMG Staff Present:

B. Hui, Sr. Manager, KPMG, External Audit Team
A. Johnston, Partner, Assurance Services, KPMG

A. ADOPTION OF MINUTES

1. Audit Committee – April 28, 2008

It was

Moved by Councillor Hunt

Seconded by Councillor Steele

That the minutes of the April 28, 2008 Audit

Committee meeting be adopted.

Carried

B. INTRODUCTIONS

C. REVIEW BY GENERAL MANAGER, FINANCE & TECHNOLOGY

1. Corporate Report No. F005 - 2008 Annual Financial Report

The General Manager, Finance & Technology submitted and reviewed Corporate Report F005 – 2008 Annual Financial Report.

The Audit Committee reviewed and commented on the report and suggested a few revisions.

The General Manager, Finance and Technology advised that she will amend the corporate report by expanding line 18 into two lines, separating the transfer from unappropriated surplus.

The Auditor advised that there will be new PSAB requirements as indicated within the notes to the consolidated financial statement under 1. (p). He also mentioned that as a respond to the exposure draft, it could be mentioned that the

contributions from developments, and other issues, could be dealt with through changes to the PSAB requirements.

It was Moved by Councillor Hunt
Seconded by Councillor Steele
That the Audit Committee request that staff provide examples of financial statements that incorporate the new PSAB requirements, prior to the Audit Committee meeting of 2010.
Carried

It was Moved by Councillor Hunt
Seconded by Councillor Steele
That Corporate Report F005 – 2008 Annual Financial Report, as amended, be received and that staff be directed to forward the report to City Council as part of the agenda for the next Regular Council meeting.
Carried

D. REVIEW BY EXTERNAL AUDITORS

1. Auditors' Independence Letter
2. Auditors' Oversight Letter
3. Auditors' Management Letter

The following items were briefly discussed:

- The Logging Ditch Improvement District may be dissolved and local area service levy be initiated, currently the revenue from the District is used to maintain and upkeep the district drainage and ditches.
- Registered Charities have 2 criteria for their revenue, first is that 80% of receipted donations need to be distributed in the year received or 3.5% of non-receipted contributions need to be distributed in the year received. It was noted that the 3.5% will not be an issue once the foundation is fully established and it was suggested that staff meet with Canada Revenue Agency (CRA) to discuss the interim period prior to establishment.

It was Moved by Councillor Steele
Seconded by Councillor Hunt
That the Audit Committee request staff to undertake the appropriate action to review how the Canada Revenue Agency (CRA) and the Society are recording disbursements and assets; and report back to the Audit Committee.
Carried

It was Moved by Councillor Steele
Seconded by Councillor Hunt
That the Audit Committee request further information be provided regarding the actions that have been taken within the 'management responses' under Appendix A – Improvement Observation Point for Internal Control, specifically 'strong network controls'.

Carried

It was Moved by Councillor Hunt
Seconded by Councillor Steele
That the Audit Committee receive items D.1 to D.3, the Auditors Letters.

Carried

E. RECOMMENDATION TO RECEIVE AND APPROVE THE 2008 AUDITED FINANCIAL STATEMENTS

COMMITTEE RECOMMENDATION

It was Moved by Councillor Hunt
Seconded by Councillor Steele
That the Audit Committee recommend that the 2008 Audited Financial Statements be received and approved by Council.

Carried

Councillor Steele left the meeting at 1:01 pm

F. DISCUSSION OF FUTURE COUNCIL MEETINGS, DATES AND FORMAT

1. Regular Council – Public Hearing

- (a) Receive Audit Committee Recommendations
- (b) Receive 2008 Annual Financial Report

It was decided that Council would receive the Audit Committee recommendations and a Corporate Report from the General Manager, Finance and Technology that explains the 2008 Annual Financial Statements at the May 4, 2009 Regular Council meeting.

2. Regular Council

Public Opportunity for Questions/Comments

It was decided that Council would receive public consultation regarding the 2008 Annual Financial Report at the June 29, 2009 Regular Council meeting.

G. OTHER BUSINESS

H. ADJOURNMENT

It was

Moved by Councillor Hunt
Seconded by Councillor Gill
That the meeting do now adjourn.
Carried

The meeting adjourned at 1:10 p.m.

Certified as true and correct:

City Clerk: Jane Sowik

Chairperson: Councillor Gill
Audit Committee