

**THE TWENTY-FOURTH MEETING OF THE FINANCE COMMITTEE  
OF THE CITY OF GREATER SUDBURY**

**Council Chamber  
Tom Davies Square**

**Wednesday, June 29, 2005  
Commencement: 5:45 p.m.**

Chair

**COUNCILLOR ELDON GAINER, IN THE CHAIR**

Present

Councillors Berthiaume; Bradley; Caldarelli; Callaghan; Craig; Dupuis; Gasparini; Kett; Reynolds; Rivest; Thompson (A6:25pm)

City Officials

M. Mieto, Chief Administrative Officer; A. Stephen, General Manager of Infrastructure & Emergency Services; S. Jonasson, Acting CFO/Treasurer; C. Mahaffy, Manager of Financial Planning & Policy; S. St. Onge, Acting Co-ordinator, Current Accounting Operations; A. Haché, Deputy City Clerk; F. Bortolussi, Planning Committee Secretary; CJ Caporale, Council Secretary

News Media

Sudbury Star; MCTV; Channel 10 News

Declarations of  
Pecuniary Interest

None declared.

**PRESENTATIONS/DELEGATIONS**

Item 2  
2004 Audit Findings

Report dated 2005-06-22 from the Acting CFO/Treasurer regarding 2004 Audit Findings Report was received.

Mr. Wayne McDonald of KPMG, on behalf of representatives of Freelandt Caldwell Reilly and Collins Barrow-Maheu Noiseux, gave an electronic presentation.

Mr. McDonald advised Council that an audit was conducted under Canadian generally accepted auditing standards and to determine whether or not the financial statements are free of material misstatement, caused by error or fraud.

Mr. McDonald stated that this report was confidential and was to be used solely by the Finance Committee, Management and others within the Municipality.

He advised that internal controls is used to determine the nature, extent and timing of our audit procedures and that an audit does not include "examining the effectiveness of internal controls and does not provide assurance on the City's internal controls". He also stated that communication regarding the relationship between the City and the three companies regarding their independence as the City's auditors, was conducted.

Item 2  
2004 Audit Findings  
(continued)

Mr. McDonald gave a summary of the audit approach used to determine areas of risk, materiality and audit risk, reliance on internal controls, and obtaining sufficient and appropriate audit evidence.

He stated that there were significant audit findings, and one of the issues that came up was that on March 31, 2005 the Ministry of Finance announced a new funding model called the Ontario Municipal Partnership Fund and when this announcement was made they then reconciled the 2003 and 2004 CRF grants in 2005.

As a result of that, approximately \$3.4M was flowed to the City in April, 2005. He stated that the implications of this was whether or not the \$3.4M should be recorded as revenue in the December 31, 2004 financial statements.

The resolution was that Cabinet approval was not received until March 2005, the Ministry did not previously confirm to Municipalities that the 2003 and 2004 CRF grants would be reconciled and the City had no legal claim to the grants. He also stated that the grants were not recorded in the 2004 financial statements.

Mr. McDonald stated that no accounting policies have been implemented or changed from the prior year.

He outlined the management judgements, accounting estimates and disclosures. He also stated that during the course of their audit they did not find any fraud or illegal acts involving staff. He also indicated that there were no significant weaknesses in internal controls and did not encounter any disagreements with staff.

He stated that there were some performance improvements where financial information coming from a department did not flow to the finance department for processing. Some information did not reach the finance department until year end which cause delay to the year end preparation process.

He stated that the auditors recommended that departments become more accountable to the finance department for financial reporting purposes and that standardizing the reporting protocol be considered.

Item 3  
2004 Annual Financial Reports

Report dated 2005-06-22 from the Acting CFO/Treasurer regarding 2004 Annual Financial Reports was received.

Mr. Wayne McDonald, KPMG, gave an electronic presentation regarding Consolidated Municipal Financial Information.

Item 3  
2004 Annual Financial  
Reports  
(continued)

He indicated that the consolidated information includes information for Greater Sudbury Housing Corporation, City of Greater Sudbury CDC, Metro Centre Management Board, Flour Mill BIA and Library and Cemetery Boards. He stated that Greater Sudbury Utilities Inc. and Sudbury Airport CDC are consolidated in this report and are included in the revenue of the City only on an equity basis.

Mr. McDonald then gave a breakdown of the City of Greater Sudbury's revenue for 2003-2004, with revenues being \$424,274,000 in 2004. He also broke down the assessment information for 2003-2004.

He outlined schedules of current (\$366,795,000/2004) and capital (\$60,438,000/2004) expenditures, financial activities, change in fund balance, and consolidated financial position was provided.

The following recommendation was presented:

2005-06 Dupuis-Bradley: THAT the Consolidated Financial Statements for the City of Greater Sudbury and the City of Greater Sudbury Trust Funds, for the year ended December 31, 2004 be accepted and approved as presented.

**CARRIED**

#### **CORRESPONDENCE - INFORMATION ONLY**

Item 4  
2004 Reserve &  
Reserve Funds

Report dated 2005-06-22, with attachments, from the Acting CFO/Treasurer regarding 2004 Reserve and Reserve Funds Report was received for information only.

Item 5  
2004 Year-End  
Position

Report dated 2005-06-22, with attachments, from the Acting CFO/Treasurer regarding 2004 Year-End Position was received for information only.

Item 6  
2005 Current Budget  
Variance Report - April

Report dated 2005-06-22 from the Acting CFO/Treasurer regarding 2005 Current Budget Variance Report - April was received for information only.

Adjournment

2005-07 Bradley-Dupuis: That this meeting does now adjourn.  
Time: 6:45 p.m.

**CARRIED**

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Councillor Eldon Gainer, Chair

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Angie Haché, Acting City Clerk