

**THE SECOND MEETING OF THE FINANCE COMMITTEE
OF THE CITY OF GREATER SUDBURY**

**Council Chamber
Tom Davies Square**

**Wednesday, February 21, 2007
Commencement: 4:40 p.m.**

Chair

COUNCILLOR TED CALLAGHAN, IN THE CHAIR

Present

Councillors Cimino; Barbeau; Berthiaume; Dutrisac; Dupuis; Rivest;
Thompson; Craig; Gasparini; Landry-Altman; Mayor Rodriguez

City Officials

M. Mieto, Chief Administrative Officer; D. Nadorozny, General Manager of Growth & Development; G. Clausen, Acting General Manager of Infrastructure; T. Beadman, Acting General Manager of Emergency Services; C. Hallsworth, Executive Director of Administrative Services; L. Hayes, CFO/Treasurer; P. Buchanan, Manager of Accounting; A. Haché, City Clerk; F. Bortolussi, Planning Committee Secretary; CJ Caporale, Council Secretary

News Media

Sudbury Star; CIGM

Declarations of
Pecuniary Interest

None declared.

PRESENTATIONS/DELEGATIONS

Item 2
2006 Audit Planning
Report

Report dated 2007-02-16, with attachments, from the CFO/Treasurer regarding 2006 Audit Planning 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.

He outlined the purpose of an audit report and listed the key responsibilities of Management, External Auditors and the Finance Committee regarding financial statement reporting. He outlined audit deliverables that the Auditor must provide to the Finance Committee and to the regulators or other parties.

Mr. McDonald advised that there are four phases to the audit process, planning, control evaluation, substantive testing, and completion. He also provided various types of business risks and understanding financial reporting risks.

He provided audit procedures the auditor must perform for key financial reporting areas. He stated that reporting materiality is the threshold auditors use to determine whether corrections must be made at the completion of the audit. He indicated that as part of the

Item 2
2006 Audit Planning
Report
(continued)

Audit Findings Report, they would communicate all corrected misstatements identified during the audit and uncorrected misstatements that have been identified by management to be immaterial.

Mr. McDonald concluded by providing the proposed audit timetable, current developments and accounting issues.

Item 3
Capital Assets &
Asset Management

Report dated 2007-02-14 from the CFO/Treasurer regarding Tangible Capital Assets and Asset Management was received.

Ms. Lorella Hayes, CFO/Treasurer, provided an electronic presentation entitled "*Capital Asset Management*". She stated that there are two distinct projects that are related and dependent on each other involved in Capital Asset Management:

- financial accounting for tangible capital assets
- asset management

Ms. Hayes explained to the Committee what the Public Sector Accounting Board (PSAB) was responsible for and advised that they propose to issue a revised Tangible Capital Assets, CICA Public Sector Accounting Handbook Section PS 3150 which is intended to apply to all levels of government. She briefly explained that municipalities are required to report tangible capital assets at a value that reflects historical cost less accumulated depreciation on statement of financial position.

She explained the relationship between Capital Asset Accounting and Asset Management and provided examples of the impact of PS 3150 had on financial statements.

Ms. Hayes stated that they would need to define what capital assets are, look at single asset versus component, inventorying existing capital assets, valuation, information system requirements, capitalization thresholds (how much will the capital assets be worth), depreciation policies, and the difference between betterments versus maintenance.

She advised that the plan for next year will be to implement a Capital Asset Steering Committee, Capital Asset Technical Working Group, apply for the COMRIF - Asset Management Application by March 31, 2007, prepare the required draft policies, identify and document existing capital asset information, begin discussions on valuation, develop a detailed implementation plan and report back to Council at a later date.

Adjournment

2007-4 Cimino-Barbeau: That this meeting does now adjourn.
Time: 5:40 p.m.

CARRIED

Councillor Ted Callaghan, Chair

Angie Haché, City Clerk