



Audit Committee Meeting Minutes

Friday, May 17, 2024, 10:00 a.m.

McNaughton Room - 3rd Floor, City Hall

1. Audit Committee Meeting 02-2024

Chair: John Friday

2. Members

Councillor Shelby Ch'ng

John Friday

Andrew Garro

3. Officials

Norm Gale, City Manager

Karen Lewis, General Manager - Corporate Services

Keri Greaves, City Treasurer

Andrea Morrison, Deputy City Treasurer

John Tyson, Acting Manager - Internal Audit

Shannon Lane, Manager - Corporate Financial Services

Kristie Sinclair, Accountant

Leanne Lavoie, Council & Committee Clerk

4. Disclosures of Interest

5. Agenda Approval

MOVED BY: Councillor Shelby Ch'ng

SECONDED BY: Andrew Garro

WITH RESPECT to the May 17, 2024 meeting of the Audit Committee, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

CARRIED

6. Confirmation of Previous Minutes

The Minutes of Meeting 01-2024 of the Audit Committee, held on February 1, 2024, to be confirmed.

MOVED BY: Andrew Garro

SECONDED BY: Councillor Shelby Ch'ng

THAT the Minutes of Meeting 01-2024 Audit Committee, held on February 1, 2024, be confirmed.

CARRIED

7. Eye on the Street

Memorandum from Acting Manager – Internal Audit John Tyson, dated May 17, 2024 providing 2023 Eye on the Street audits, for information.

John Tyson provided an update relative to Eye on the Street, including:

- Internal Auditor is responsible for conducting quarterly audits of the program as per the City of Thunder Bay – Code of Practice for the Operation of a Closed Circuit Television System for Downtown Surveillance in Thunder Bay.
- The main purpose of the internal audit is to ensure that the Eye on the Street program and camera operators have complied with the Code of Practice and have not monitored individuals in any manner that would constitute a violation of the Human Rights Code.
- The Eye on the Street Program is operating in compliance with the “City of Thunder Bay – Code of Practice” for the year ended December 31, 2023.

8. 2023 Inventory Count Internal Audit Report

2023 Inventory Count Internal Audit Report, for information.

Acting Manager – Internal Audit John Tyson provided an update relative to the above noted, including:

- In July and August 2023, Internal Audit, along with Supply Management, reviewed stores and took random samples of inventory in stock.
- There were no discrepancies at two of four stores locations, and minor discrepancies at the other two locations, one of which was corrected following the audit.

John Tyson recommended frequent and larger inventory counts over the next few months to determine whether discrepancies were an isolated occurrence. The Supervisor – Supply Management (Inventory & Courier) has agreed to conduct additional inventory counts. John Tyson also recommended that Supply Management perform a corporate wide physical access/security assessment for formal inventory. The Supervisor – Supply Management (Inventory & Courier) will, in collaboration with Facilities, perform the assessment. Installation of additional fencing to secure the inventory of signs at the Traffic & Street Lighting location is an immediate measure to be taken, to be completed Q2 – 2024.

John Tyson advised that twelve recommendations made in 2015 will be reviewed to determine their status.

MOVED BY: Councillor Shelby Ch'ng
SECONDED BY: Andrew Garro

WITH RESPECT to the inventory count internal audit, that Administration report back to the Audit Committee at the May 2025 committee meeting with an update on the status of twelve recommendations made in 2015.

CARRIED

9. Q4 Financial Status Update

Report 168-2024 (Corporate Services-Office of the City Treasurer) 2023 Operating Budget Q4 Financial Status and Reserve, and Reserve Fund Update, for review.

City Treasurer Keri Greaves provided an update relative to the City of Thunder Bay's 12-month period ending December 31, 2023, including:

- Unfavourable variance of \$1.9 million in tax-supported operations
- WSIB costs were \$2.4 million over budget, some vacancy savings offset this amount, but WSIB contributed significantly to the variance in 2023
- Restructuring helped overall position

It was noted that Report 168-2024 would be presented to Committee of the Whole on May 27, 2024 and Administration will recommend that the deficit be funded with \$1 million from the WSIB Reserve Fund, and \$900,000 from the Stabilization Reserve Fund.

There was discussion relative to the Police Service deficit and why it is not financed by their reserve fund. It was noted that the Police Reserve Fund is a capital reserve fund, not operating.

Keri Greaves pointed out that the City's Standard and Poors rating is AA+ with a stable outlook and provided recommendations for improvements to achieve a AAA rating. There was discussion relative to whether reserve fund balances should be increased to the higher end of the target range. It was noted that Standard and Poors acknowledges reserves, reserve funds and low debt burden as strengths, and the corporation's reserve funds are well within the target range.

MOVED BY: Councillor Shelby Ch'ng
SECONDED BY: Andrew Garro

WITH RESPECT to the 2023 Operating Budget Q4 Financial Status and Reserve, and Reserve Fund Update report for the Corporation of the City of Thunder Bay, the Audit Committee recommends that the report, as presented at the May 17, 2024 Audit Committee meeting, be presented to Committee of the Whole.

CARRIED

An update on the external audit was provided and it was noted that Administration expects to present financial statements to the Audit Committee before the end of August.

10. New Business

11. Next Meeting

The next meeting date is to be determined.

12. Adjournment

The meeting adjourned at 10:52 a.m.