

AUDIT COMMITTEE

A G E N D A MEETING NO. 2

Date of Meeting:	Tuesday, May 25, 1999	Enquiry:	Frances M. Pritchard
Time:	10:00 a.m.		Interim Contact
Location:	Committee Room 2		392-7033
	2nd Floor - City Hall		FAX 392-1879
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DECLARATIONS OF INTEREST PURSUANT TO THE MUNICIPAL CONFLICT OF INTEREST ACT.

COMMUNICATIONS/REPORTS.

1. INVESTMENT POLICY COMPLIANCE

(DEFERRED FROM MEETING HELD ON MARCH 1, 1999)

City Auditor
(February 1, 1999)

Recommending that:

- (1) monthly reporting procedures be put in place by City Finance staff relating to the investing of City Funds. Such reporting procedures to include details of all investments held and maturity dates of such investments. The review of monthly reports be conducted by staff independent of the investment function and include an analysis as to whether or not the City's investment policies and procedures are complied with. Evidence of the review be documented in writing. Immediate and appropriate action be taken for all instances of non compliance;
- (2) City Finance staff seek legal advice and clarification relating to the scope of the Council approved policy entitled "Investment Policy and Procedures" and determine whether or not such policy applies to Agencies, Boards and Commissions. If it is determined that the policy does apply to these entities, management of the City Finance Department forward the policy to staff of all Agencies, Boards and Commissions for which the policy is deemed to be applicable. All applicable

Agencies, Boards and Commissions be advised that they are required to comply with such policy;

- (3) where practical, consideration be given to the consolidation of Agencies, Boards and Commissions investing activities by the City Finance staff. In addition, the decision on whether to consolidate should consider whether or not the services of outside professional investment managers are utilized, the practicality based on dollar amounts and the average length of terms investments are held, the types of investments allowed under legislation and the degree of control exercised by the City over the Agencies, Boards and Commissions;
 - (4) a reporting procedure be put in place by City Finance staff relating to the investing activities of those Agencies, Boards and Commissions for which the policy is deemed applicable. The reporting procedure be consistent with those recommendations as outlined under Recommendation 1;
 - (5) consolidated financial reporting of all City investments be reported to Council on a more regular basis than once a year;
 - (6) Management take immediate action to ensure compliance with policy limits on maximum amounts and durations of specific investments;
 - (7) the document approved by Council entitled "Investment Policy and Procedures" be finalized, particularly in terms of addressing key management administrative procedures;
 - (8) performance benchmarks for investment returns be set for those funds administered by the City without an established performance benchmark;
 - (9) the investment policy and procedures manual be amended and updated to include the York Employees' Pension and Benefit Fund. Clarification be sought in regards to the responsibility for the investment of the assets of this fund; and
 - (10) appropriate staff be requested to provide a complete and updated reconciliation of all investment balances at the City. This information be submitted to senior staff for their review and approval. Evidence of approval be documented in writing. Specific deadlines be set for the preparation of such reconciliations. Reconciliation of the investment portfolio to the general ledger be performed on a monthly basis for all investment funds.
- (a) (March 31, 1999) from the Chief Financial Officer and Treasurer respecting Finance Department's Response report "Investment Policy Compliance" and recommending that this report be considered with the City Auditor's report and received as information.

2. FOLLOW-UP OF 1997 MANAGEMENT LETTERS OF THE FORMER MUNICIPALITIES

City Auditor

(April 26, 1999)

Recommending that:

- (1) for those recommendations, contained in the 1997 management letters of the former municipalities which have not yet been implemented, as outlined in Attachment I, the Chief Financial Officer and Treasurer:
 - (a) submit to the Audit Committee an action plan with specific time lines and staff responsibility for implementation; and
 - (b) report to the Audit Committee on the status of the implementation process prior to December 31, 1999.
- (a) (May 13, 1999) from the Chief Financial Officer and Treasurer respecting 1997 Management Letter Follow-up and recommending that this report be received for information and that the Chief Financial Officer and Treasurer report to the Audit Committee on the status of the implementation process in December 31, 1999.

3. RESULTS OF THE CITY OF TORONTO AUDIT ON THE TORONTO POLICE SERVICE METROPOLIS PROJECT & RESPONSE

Chairman, Toronto Police Services Board

(April 26, 1999)

Recommending:

- (1) That the City of Toronto Audit Committee receive the following report for information; and
- (2) That the City of Toronto Audit Committee forward this report to the next meeting of Council for information.
- (a) (May 10, 1999) from the City Auditor respecting the Review of the Metropolis Project - Police Services - One Page Report

4. REVIEW OF COMMISSIONER STREET TRANSFER STATION PROJECT EXPENDITURES

City Auditor
(April 24, 1999)

Recommending that:

- (1) the Chief Administrative Officer advise all department heads that the selection and engagement of all consulting services be made in accordance with the City's purchasing policies;
- (2) the Chief Administrative Officer advise all department heads of the importance of providing accurate and complete cost estimates when submitting projects to Council for approval, ensuring that necessary due diligence and care is exercised when preparing these estimates, and that if changes in the scope of work are necessary, the details and implications of the changes, as well as additional funding requirements, be clearly communicated to Council for approval;
- (3) as part of the 2000 to 2004 Capital Budget Process, the Budget Division, Finance Department advise all departments and local boards that all funds relating to a particular capital project be provided for in one capital account, so that the full funding requirements and expenditures for each project are more readily available and known; and
- (4) this report be forwarded to the Works Committee and Budget Committee for consideration.

5. RADIO COMMUNICATIONS SYSTEM - TORONTO POLICE SERVICES AND TORONTO FIRE SERVICES

City Auditor
(May 4, 1999)

Recommending that:

- (1) the Commissioner of Works and Emergency Services report to the Policies and Finance Committee every six months on the status of the Integrated Police and Fire Radio Communications System;

- (2) the first of such progress reports be submitted by June 30, 1999 and include information on any changes to the final contract price for the system, scheduled completion date, the progress of the implementation, the meeting of prescribed milestones and payments to Motorola, any problems or delays encountered or anticipated, and whether the project will be completed on time and within the contract price; and
- (3) this report be forwarded to the Budget Committee, as well as the Policies and Finance Committee, for consideration.

6. FOLLOW-UP TO REVIEW OF DATA CONVERSION, YORK EMPLOYEES' PENSION AND BENEFIT FUND

City Auditor
(April 26, 1999)

Recommending that:

- (1) for those recommendations contained in the 1998 report from the City Auditor titled, "Review of Data Conversion, York Employees Pension and Benefit Fund", which have not yet been implemented, as outlined in Attachment I, the Chief Financial Officer and Treasurer:
 - (a) submit to the Audit Committee an action plan with specific time lines and staff responsibility for implementation; and
 - (b) report to the Audit Committee on the status of the implementation process prior to December 31, 1999.

7. THEFTS FROM PARKING METERS

City Auditor
(April 29, 1999)

Recommending that this report be received for information.

8. 2008 OLYMPIC BID / REVIEW OF THE BID COMPANY'S ADMINISTRATIVE AND FINANCIAL POLICIES

City Auditor
(April 21, 1999)

Recommending that this report be received for information and that it be forwarded to the Olympic Task Force.

- (a) (April 19, 1999) from the City Clerk, forwarding Clause No. 13 of Report No. 7 of The Strategic Policies and Priorities Committee, headed "City of Toronto Olympic Task Force (Possible Audit of the 1996 Olympic Games Bid), which was adopted, as amended, by the Council of the City of Toronto at its meeting held on April 13, 14 and 15, 1999.

9. UPDATE ON THE AUDIT OF THE HANDLING OF SEXUAL ASSAULT AND FAMILY VIOLENCE CASES BY THE TORONTO POLICE SERVICE

City Auditor
(April 13, 1999)

Recommending that:

- (1) this report be received for information by the Audit Committee; and
- (2) this report be forwarded to the Audit Reference and the Toronto Police Services Board for their information.

IN CAMERA MATTER

10. MATTER DEALING WITH LITIGATION OR POTENTIAL LITIGATION, INCLUDING MATTERS BEFORE ADMINISTRATIVE TRIBUNALS, AFFECTING THE MUNICIPALITY OR LOCAL BOARD

City Auditor
(April 27, 1999)

11. STANDING COMMITTEE REQUESTS - PROJECT UPDATE

City Auditor
(March 29, 1999)

Recommending that this report be received for information.

12. CONSOLIDATION OF CITY AUDIT ACTIVITIES - UPDATE

Chief Administrative Officer
(May 10, 1999)

Recommending that this report be received for information.

13. AUDIT WORKPLAN UPDATE - PUBLIC HEALTH REPORT

City Auditor
(May 12, 1999)

Recommending that this report be received for information and that the report be forwarded to the Board of Health for their information.

14. AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE TORONTO ATMOSPHERIC FUND FOR THE YEAR ENDED DECEMBER 31, 1998

Committee Secretary, Toronto Atmospheric Fund
(March 30, 1999)

Recommending that City Council receive the Auditor's Report (March 11, 1998) and the Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 1998.

15. EXTERNAL FIRMS RETAINED FOR INSURANCE CLAIM DEFENCE

(DEFERRED FROM MEETING HELD ON MARCH 1, 1999)

City Clerk, Corporate Services Committee

(February 17, 1999)

Referring the following motions to the Audit Committee for report thereon to the Corporate Services Committee:

Moved by Councillor Lindsay-Luby:

- (1) That any future reports regarding the outsourcing of legal work, determine the cost effectiveness of work undertaken inside vis-a-vis outside and particularly when specific expertise is needed; and that this cost-benefit analysis be undertaken by the City's External Auditor.

Moved by Councillor Rae:

- (2) That the foregoing motion by Councillor Lindsay Luby be referred to the Chief Financial Officer and Treasurer for report thereon to the next meeting of the Corporate Services Committee respecting the cost of the City employing an External Auditor.

16. 1999-2000 SCHEDULE OF MEETINGS

City Clerk

(April 22, 1999)

Requesting major agencies, boards and commissions, Council-appointed task forces, special committees and sub-committees, wherever possible, to avoid scheduling meetings which conflict with City Council meetings and the Standing Committees to which they report.

17. 1999 AUDIT WORKPLAN

City Clerk

(March 10, 1999)

Forwarding Clause 1 of Report No. 2 of The Audit Committee, headed "1999 Audit Workplan", which was adopted, as amended by the Council of the City of Toronto at its meeting held on March 2, 3, and 4, 1999.

18. WORKS BEST PRACTICES PROGRAM AND PROJECTED STAFFING LEVELS - WATER AND WASTEWATER SERVICES DIVISION

City Clerk
(March 10, 1999)

Forwarding Clause No. 1 of Report No. 2 of The Works and Utilities Committee, headed "Works Best Practices Program and Projected Staffing Levels - Water and Wastewater Services Division, which was adopted, as amended, by the Council of the City of Toronto at its meeting held on March 2, 3 and 4, 1999.