

**AUDIT COMMITTEE  
A G E N D A  
MEETING NO. 4**

<b>Date of Meeting:</b>	<b>Monday, September 27, 1999</b>	<b>Enquiry:</b>	<b>Frances M. Pritchard</b>
<b>Time:</b>	<b>2:00 p.m.</b>		<b>Administrator</b>
<b>Location:</b>	<b>Committee Room 2</b>		<b>392-7033</b>
	<b>2nd Floor - City Hall</b>		<b>FAX 392-1879</b>
	<b>100 Queen Street West</b>		<b>E-mail address</b>
			<b>fpritcha@city.toronto.on.ca.</b>

---

**DECLARATIONS OF INTEREST PURSUANT TO THE MUNICIPAL CONFLICT OF INTEREST ACT.**

**Confirmation of Minutes of July 19, 1999 - Forwarded to Members via Electronic Mail**

---

**COMMUNICATIONS/REPORTS.**

**1. 1998 MANAGEMENT LETTER SUMMARY - COMMUNITY CENTRES AND ARENAS**

City Auditor  
(August 30, 1999)

Recommending that:

- (1) As part of its mandate the recently structured ABC Reduction Task Force should, on a priority basis, review the governance of all community centres and arenas in the City. The objective of such a review process should include the integration and streamlining of all duplicated activities.
- (2) The Chief Financial Officer and Treasurer immediately initiate a plan to provide the appropriate support for the accounting needs of all community centres and arenas. The preparation of specific timetables, year end working paper and reconciliation requirements should be incorporated into this support.
- (3) City Finance staff should prepare standardized written policies and procedures for all community centres and arenas. Where possible and appropriate, these policies and procedures should be consistent with those of the City.
- (4) Community centres and arenas should be instructed by City Finance staff that under no circumstances will they be permitted to make expenditures which are not included in their annual approved budget submissions.

- (5) The Chief Financial Officer and Treasurer give consideration to the standardization of all accounting systems at each of the community centres and arenas. In the longer term, all accounting should be done centrally using the City's new SAP accounting system.
- (6) The Chief Financial Officer and Treasurer, in consultation with City Legal Services, review the present arrangements relating to the organization of each separate non-profit charitable corporation within each community centre. Arrangement should be made to immediately separate the accounting function of the non-profit organizations from those of the centre. Monthly financial reporting, as well as year end financial reporting, should be conducted separately.
- (7) The Chief Financial Officer and Treasurer be required to review all annual financial statements of arenas in order to determine the extent of funds owed to the City. The Chief Financial Officer and Treasurer be required to collect all surplus funds owed to the City on an annual basis.
- (8) The Y2K City Project Team, as a priority, should review its work plan in order to ensure that adequate attention is being given to each community centre and arena. The Y2K Team should review the work completed to date at each of these entities in order to ensure that adequate attention has been given to the issue.
- (9) In order to avoid penalties and interest charges, management should ensure that all payments to employees, including car and laundry allowances, are included as part of salaries and wages, subject to statutory deductions. All increases to salaries and benefits should be approved by the respective Boards and Committees and documented in writing.
- (10) For those arenas and community centres where no fixed asset listing is prepared, priority should be given to creating a fixed asset register. The register should include details of the source of the items (i.e., supplier, invoice number), the cost and the date of acquisition. A physical inventory of all furniture and equipment should be conducted annually and agreed to the fixed asset listing.
- (11) All arenas and community centres be requested to submit management letters to their respective Boards along with appropriate responses.

## **2. 1998 FINANCIAL STATEMENTS OF COMMUNITY CENTRES AND ARENAS**

City Auditor  
(September 17, 1999)

Recommending that the above financial statements be received for information and forwarded to Council.

**3. 1998 ARENA DEFICITS**

City Auditor

(September 17, 1999)

Recommending that:

- (1) no further action be taken with respect to the operations of the George Bell Arena and the Ted Reeve Arena as it has been determined that the 1998 operating deficits are attributable to one time unusual events;
- (2) the present practice relating to the preparation of non-audited financial statements of the Leaside Memorial Gardens Arena be discontinued and the City Auditor be required to conduct an audit of the accounts of the Leaside Memorial Gardens Arena for all future fiscal periods;
- (3) the City Auditor report to the next Audit Committee on the operations of the McCormick Arena upon completion of the 1998 audit; and
- (4) this report be forwarded to the Budget Committee for their information.

**4. REQUEST FOR PROPOSAL FOR THE ACQUISITION OF 2,000 OPTICAL SCAN VOTE TABULATORS AND 100 TOUCH SCREEN VOTING UNITS**

City Auditor.

(August 24, 1999)

Confidential report respecting the request for proposal for the acquisition of 2000 Optical Scan Vote Tabulators and 100 Touch Screen Voting Units.

**5. TORONTO ATMOSPHERIC FUND**

City Auditor and City Solicitor

(September 3, 1999)

- (1) as part of the City's 2000 operating budget process, the Toronto Atmospheric Fund Board clarify the role and responsibilities of other City departments and programs involved in improving air quality, relative to the mandate and objectives of TAF, and include in the report the funds expended annually by these program areas on air quality improvement and awareness;

- (2) in view of the significant funds spent by the Fund to date, the Toronto Atmospheric Fund Board submit a status report to City Council by November 30, 1999, outlining the benefits and returns received to date, as well as the progress towards achieving the goal of reducing greenhouse gas emissions by 20 percent by 2005;
- (3) the Toronto Atmospheric Fund establish appropriate performance indicators against which the activities and performance of the Fund can be measured, both annually and in the longer term;
- (4) the Toronto Atmospheric Fund's annual operating budget, as approved by its Board of Directors, be submitted to City Council for review and approval;
- (5) the Toronto Atmospheric Fund Board include in its annual financial statements provided to the City or in a separate report to Council, a summary of the grants and loans approved in the year, as well as a listing of consulting expenditures incurred;
- (6) the Toronto Atmospheric Fund Board obtain City Council approval for any proposed changes to the investment of TAF funds as well as for any requests to amend the Trustee Act in this regard;
- (7) the Toronto Atmospheric Fund submit to City Council for approval, any loans, guarantees or security on loans, or lines of credit in excess of \$500,000, following a review by City Finance;
- (8) the procurement of consulting and other goods and services by the Toronto Atmospheric Fund be conducted through the Purchasing and Materials Management Division of City Finance, and in accordance with the City's purchasing policies;
- (9) expenditures incurred by the Toronto Atmospheric Fund be properly classified in its annual financial statements and segregated into grant and administrative expenses; and
- (10) staff take the necessary action to implement the above recommendations, including the introduction of bills to Council.

**6. REVIEW OF CERTAIN ASPECTS OF THE REVIEW OF EXISTING FLEET AND GARAGE OPERATIONS** *(Report Not Yet Available)*