

## **Other Items Considered by the Committee**

*(City Council on November 23, 24 and 25, 1999, received this Clause, for information.)*

**(a) 1998 Management Letter Summary – Community Centres and Arenas.**

**The Audit Committee reports having:**

- (1) deferred consideration of the following report until its meeting to be held on December 13, 1999;**
- (2) requested that the membership, terms of reference and future meeting dates of the A.B.C. Reduction Task Force be forwarded to all community centres and arenas;**
- (3) requested the City Auditor to meet with representatives of the community centres and arenas, on an informal basis, should those representatives so request, after the boards of management of the community centres and arenas have reviewed the report; and**
- (4) requested the City Auditor to submit the individual Management Letters to the Audit Committee for its meeting to be held on December 13, 1999**
  - (i) (August 30, 1999) from the City Auditor respecting 1998 Management Letter Summary - Community Centres and Arenas, and 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;
- (ii) (September 24, 1999) from Anne Dubas, CUPE Local 79;
  - (iii) (October 21, 1999) from W. James Herber, Chair of the Board, North Toronto Memorial Arena;

- (iv) (October 21, 1999) from Councillor Johnston;
- (v) (October 21, 1999) from Eric Anweiller, North Toronto Memorial Arena;
- (vi) (October 22, 1999) from James Bell, Swansea Town Hall Community Centre; and
- (vii) (October 21, 1999) from Tim Macri, Forest Hill Memorial Arena

**(b) Review of Investigation of Sexual Assaults – Toronto Police Service.**

**The Audit Committee reports having:**

- (1) deferred consideration of the following report until its meeting to be held on December 13, 1999;**
- (2) forwarded the report to the Toronto Police Service Board;**
- (3) thanked the City Auditor and all other interested parties for their efforts in the production of the report:**
  - (i) (October, 1999) from the City Auditor respecting Review of the Investigation of Sexual Assaults – Toronto Police Service.

**(c) In Camera Matter.**

**The Audit Committee reports having adjourned its public session to meeting in camera to deal with a matter the subject of which dealt with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.**

**The matter remained in camera.**

**(d) Travel Expenses – Toronto Harbour Commission.**

**The Audit Committee reports having requested the City Auditor:**

- (1) to report to the Audit Committee, for its meeting to be held on December 13, 1999, on all financial aspects pertaining to the Toronto Harbour Commission for the years 1998 and 1999, or to provide, if that is not possible, a progress report at that time; and**
- (2) to report to the Audit Committee on how the City might ascertain that City funds being used by other organizations are being properly managed:**
  - (i) (October 15, 1999) from Councillor Adams respecting Travel Expenses – Toronto Harbour Commission; and

- (ii) (October 12, 1999) from Councillor Holyday respecting All Financial Aspects Pertaining to the Toronto Harbour Commission for the years 1998 and 1999

**(e) Reconciliation with City's Audited Financial Statements.**

**The Audit Committee reports having recommended to City Council, at its meeting held on October 26, 1999 (Policy and Finance Committee Report No. 8, Clause No. 1) that the City Auditor be directed to review the reconciliation prepared by the Chief Financial Officer and Treasurer and report to the Audit Committee on the following items:**

- (a) the reconciliation between the City's audited statements for 1998 and the 1998 year end variance report in relation to the reporting of the gross expenditures and revenues by each program, and the closing balances of all reserve accounts;**
- (b) an assessment of financial transactions recorded, if any, for the year of 1998, in the City of Toronto's Financial Information System (TFIS) or any of the legacy systems, subsequent to the signing of the City's audited statements for 1998; and**
- (c) a review of expenditures incurred in 1998 and recorded in any of the City of Toronto's Financial Systems, but not assigned to any specific program listed in the December 1998 variance report (i.e. expenditures charged to "suspense accounts").**

Respectfully submitted,

DOUG MAHOOD  
*Chair*

Toronto, October 25, 1999

*(Report No. 7 of The Audit Committee, including an addition thereto, was adopted, without amendment, by City Council on November 23, 24 and 25, 1999.)*