

THE CITY OF TORONTO

Clerk's Department

Minutes of the Audit Committee

Meeting No. 3

Monday, July 19, 1999

The Audit Committee met on Monday, July 19, 1999, in Committee Room 3, 2nd Floor, City Hall, commencing at 2:00 p.m.

3.1 Payroll Review

The Audit Committee had before it a report (July 8, 1999) from the City Auditor respecting Payroll Review and recommending that:

- (1) all payroll bank reconciliations be brought up to date and from thereon be completed in a timely manner, that all reconciling items be promptly investigated and cleared, and that reconciliations be reviewed and approved by supervisory staff;
- (2) the upcoming conversions to the new SAP payroll system be adequately planned and properly managed, that all required testing be performed and documented, and that the necessary signoffs and approvals be obtained before implementation; and
- (3) payroll management staff review the current procedures for employees on salary continuance and utilize electronic and other controls available, to further ensure employees are not paid beyond their termination date.

The Audit Committee also had before it a report (July 8, 1999) from the Chief Financial Officer and Treasurer responding to the City Auditor's report, and recommending that this report be received for information

On motion by Councillor Altobello, the Audit Committee recommended to City Council, the adoption of the foregoing report from the City Auditor.

(Report 5, Clause 4)

3.2 Staff Car Allowance

The Audit Committee had before it a report (June 22, 1999) from the City Auditor respecting Staff Car Allowance and recommending that this report be received for information and be forwarded to the Administration Committee.

On motion by Councillor Altobello, the Audit Committee received the foregoing report and forwarded same to the Administration Committee.

(Letter sent to Administration Committee; c: City Auditor - July 20, 1999)

3.3 Works Best Practices

The Audit Committee had before it a report (July 12, 1999) from the City Auditor respecting Works Best Practices and recommending that:

- (1) the Commissioner, Works and Emergency Services, establish for each consultant contract award, a performance management process, incorporating appropriate parameters and relevant, measurable and objective benchmarks; and that any future consulting contract awards recommended to the Works Committee and Council include a description of the consultant performance management criteria and process to be used;
 - (2) prior to or in conjunction with awarding any future consulting contracts, the Commissioner, Works and Emergency Services report to the Works Committee on the total cost of consulting services required for this project, including those consulting services required in the implementation of process control systems and other facilities;
 - (3) prior to or in conjunction with awarding any future consulting contracts, the Commissioner, Works and Emergency Services clarify how the consulting services to be provided in Phase 2 of the Works Best Practices program differ from those rendered during the planning and design stage (Phase 1) as well as from those consulting services to be procured for the construction and implementation component;
 - (4) any quality assurance activities deemed necessary in Phase 2 of the Works Best Practices program be performed either by Works staff or, if a consulting firm is used, that the firm be independent of the consulting consortium and report directly to Works staff;
 - (5) in view of the magnitude of the Works Best Practices program, the City Auditor work with Works staff during the implementation phase of the program to ensure that appropriate performance management criteria are established, and report independently to Council on any concerns or issues, including areas relating to value for money.
 - (6) this report be forwarded to the Works Committee for consideration.
- The Audit Committee also had before it a communication (July 19, 1999) from Toronto Civic Employees' Union, Local 416.

Ms. Gina Gignac, National Representative, Toronto Civic Employees' Union appeared before the Audit Committee in connection with the foregoing matter.

The Audit Committee recommended to the Works Committee that:

On motion by Councillor Mahood, with Councillor Holyday in the Chair:

- (1) the report (July 12, 1999) from the City Auditor be amended by deleting the words, "and report directly to Works staff" and inserting in lieu thereof the words, "be accountable to the City Auditor and report concurrently on any issues to both the City Auditor and Works staff" in Recommendation No. (4), and that the report, as amended be adopted;

On motion by Councillor Altobello:

- (2) the City Auditor perform an analysis of the consultant services for the Works Best Practices Program to date, including value for money of Phase 1 of the program; and
- (3) the City Auditor not be precluded from commenting on Phase 1 of the Works Best Practices Program while following through with any of the recommendations outlined in the report.

(Letter sent to Works Committee; c: City Auditor and Commissioner of Works and Emergency Services - July 20, 1999)

3.4 1998 City of Toronto Consolidated Financial Statements

The Audit Committee had before it a report (undated) from the Chief Financial Officer and Treasurer, submitting the 1998 City of Toronto Consolidated Financial Statements and recommending that the attached 1999 Consolidated Financial Statements be adopted.

On motion by Councillor Mahood, with Councillor Altobello in the Chair, the Audit Committee recommended to City Council that:

- (1) the 1998 City of Toronto Consolidated Financial Statements be adopted; and
- (2) the report (July 9, 1999) from Ernst & Young, Chartered Accountants entitled, "City of Toronto - Report to the Audit Committee - 1998 Audit Results" be received for information.

The Audit Committee also requested:

On motion by Councillor Altobello:

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- (1) the City Auditor to communicate with the Acting Commissioner of Corporate Services on the issue of computer log-in password controls of computer service access programs, particularly as they relate to non-financial systems; and

On motion by Councillor Mahood, with Councillor Altobello in the Chair:

- (2) that the management letters and financial statements of Agencies, Boards and Commissions be forwarded to the City Auditor.

(Report 5, Clause 1)

3.5 1998 Audit Results Document

The Audit Committee had before it a report (July 9, 1999) from Ernst & Young, Chartered Accountants, respecting 1998 Audit Results Document and recommending that the report entitled, "City of Toronto - Report to the Audit Committee - 1998 Audit Results" be received for information.

On motion by Councillor Mahood, with Councillor Altobello in the Chair, the Audit Committee recommended to City Council that:

- (1) the 1998 City of Toronto Consolidated Financial Statements be adopted; and
- (2) the report (July 9, 1999) from Ernst & Young, Chartered Accountants entitled, "City of Toronto - Report to the Audit Committee - 1998 Audit Results" be received for information.

The Audit Committee also requested:

On motion by Councillor Altobello:

- (1) the City Auditor to communicate with the Acting Commissioner of Corporate Services on the issue of computer log-in password controls of computer service access programs, particularly as they relate to non-financial systems.

On motion by Councillor Mahood, with Councillor Altobello in the Chair:

- (2) that the management letters and financial statements of Agencies, Boards and Commissions be forwarded to the City Auditor.

(Report 5, Clause 1)

3.6 The Metropolitan Toronto Housing Company Limited - Financial Statement for the Year Ended December 31, 1998

The Audit Committee had before it a report (May 26, 1999) from the Corporate Secretary, Toronto Housing Company Inc., forwarding the Metropolitan Toronto Housing Company Limited Auditor's Report and Financial Statement for the year ended December 31, 1998, for submission to the Annual Meeting of the shareholders to be held at the next convenient meeting of the City of Toronto Council.

On motion by Councillor Altobello, the Audit Committee recommended to City Council that the Metropolitan Toronto Housing Company Limited Auditor's Report and Financial Statement for the year ended December 31, 1998 be approved.

(Report 5, Clause 2)

3.7 City of Toronto Non-Profit Housing Corporation - Financial Statement for the Year Ended December 31, 1998

The Audit Committee had before it a report (May 26, 1999) from the Corporate Secretary, Toronto Housing Company Inc., forwarding the City of Toronto Non-Profit Housing Corporation Auditor's Report and Financial Statement for the year ended December 31, 1998 for Submission to the Annual Meeting of the shareholders to be held at the next convenient meeting of the City of Toronto Council.

On motion by Councillor Altobello, the Audit Committee recommended to City Council that the City of Toronto Non-Profit Housing Corporation Auditor's Report and Financial Statement for the year ended December 31, 1998 be approved.

(Report 5, Clause 3)

3.8 Update on the Audit of the Handling of Sexual Assault and Family Violence Cases by the Toronto Police Service

The Audit Committee had before it a report (April 13, 1999) from the City Auditor respecting an Update on the Audit of the Handling of Sexual Assault and Family Violence Cases by the Toronto Police Services and 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.

The Audit Committee also had before it the following communications:

- (June 1, 1999) from the City Clerk, Audit Committee, addressed to the City Clerk, forwarding the Committee's actions of May 25, 1999; and
- (July 8, 1999) from the City Clerk respecting Authority for Payment of Honorarium and recommending that this report be received for information

On motion by Councillor Adams, the Audit Committee received the foregoing matter and forwarded same to the Audit Reference Group and the Toronto Police Services Board for information.

(Letter sent to Audit Reference Group and Toronto Police Services Board; c: City Auditor - July 20, 1999)

3.9 Request for Commitment of City Auditor - Towing Tendering Process

The Audit Committee had before it a communication (July 7, 1999) from the Chairman, Toronto Police Services Board respecting a Request for Commitment of City Auditor, forwarding the request of the Policy and Budget Sub-Committee of the Toronto Police Services Board for the City Auditor's involvement in the Towing Tendering process.

On motion by Councillor Adams, the Audit Committee recommended to City Council that Recommendation No. 14 contained in the communication (July 7, 1999) from the Chairman, Toronto Police Services Board respecting the involvement of the City Auditor in the Towing Tendering process, be approved.

On further motion by Councillor Adams, the Audit Committee received Recommendation No. 13 of the communication (July 7, 1999) from the Chairman, Toronto Police Services Board.

(Report 5, Clause 5)

3.10 Request for Commitment of City Auditor - Election Systems

The Audit Committee considered a Request for Commitment of City Auditor - Election Systems.

The Audit Committee approved the following request to the City Auditor from the Administration Committee and directed him to submit his report to the Audit Committee:

- “(1) that the City Auditor review the business case and the financial and technical evaluation of the proposals, including a rent-to-buy option, where included as part of the proposals; and
- (2) that the City Auditor review and evaluate the systems used in Vancouver, Ottawa, Chicago, Cook County, Philadelphia and Seattle, based on information in the City Clerk’s Department.”

(Letter sent to Administration Committee; c: Chief Administrative Officer, City Auditor and City Clerk - July 20, 1999)

3.11 In Camera Matter

On motion by Councillor Altobello, the Audit Committee adjourned its public session and met in Camera to consider a matter the subject of which deals with the security of the property of the municipality or local board.

The matter remained in Camera.

The meeting adjourned at 4:35 p.m.

Chair.

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Attendance:

May 25, 1999	2:00 p.m. - 4:20 p.m.	In Camera 4:20 p.m. - 4:35 p.m.
Mahood (Chair)	x	x
Adams	x	x
Altobello	x	x
Bussin	x	x
Holyday	x	x

* Members were present for some or all of the time indicated.