
**AUDIT COMMITTEE
AGENDA
MEETING No. 2**

Date of Meeting:	June 26, 2000	Enquiry:	Frances Pritchard
Time:	9:30 a.m.		Administrator
Location:	Committee Room 1		392-7033
	City Hall		fpritcha@city.toronto.on.ca
	100 Queen Street West		

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

**CONFIRMATION OF MINUTES OF MEETING HELD ON MARCH 29, 2000
(Previously forwarded to members by electronic mail)**

COMMUNICATIONS/REPORTS.

1. CASH CONTROLS REVIEW – PARKS AND RECREATION DIVISION, EAST AND WEST DISTRICTS

City Auditor
(May 4, 2000)

Recommending that:

- (1) the Commissioner of Economic Development, Culture & Tourism expedite the review of cash handling and financial procedures at all Parks and Recreation facilities to ensure that effective and consistent financial policies and internal control procedures exist and are carried out by staff;
- (2) the Commissioner of Economic Development, Culture & Tourism clarify and communicate the roles and responsibilities of the Administration and Support Division and other divisional operations, with respect to administration and financial matters;

- (3) the Commissioner of Economic Development, Culture & Tourism clearly delineate the roles and responsibilities of supervisory staff, emphasize the importance of maintaining effective internal controls and provide guidelines to assist supervisors in carrying out their responsibilities. Necessary action should be taken to ensure that all sites and functions are adequately supervised;
- (4) to avoid the maintenance of separate financial records by Parks and Recreation Divisional staff, the Commissioner of Economic Development, Culture & Tourism request that the Chief Financial Officer and Treasurer provide the necessary management information in the SAP financial system at a level that facilitates timely decision making by Parks and Recreation management staff;
- (5) in order to minimize the amount of cash handled at each facility:
 - (a) debit card terminals be installed at appropriate locations and a policy be adopted that promotes payment by debit or credit card as opposed to cash and cheques; and
 - (b) the reservation of arenas and sportfields be centralized at the district level and a policy be adopted, as appropriate, requiring payment in full prior to permitting the use of the facility;
- (6) the Commissioner of Economic Development, Culture & Tourism harmonize and/or implement the following policies and procedures:
 - (a) the timely follow-up and resolution of NSF cheques and declined credit cards;
 - (b) credit procedures to protect against and reduce the risk of loss of revenue from organizations renting facilities. Such procedures could include performing credit checks, obtaining credit card imprints or collecting a reasonable deposit amount;
 - (c) the expansion of armoured car services to pick up receipts at appropriately designated facilities with significant cash balances;
 - (d) the development of an appropriate and uniform policy relating to cancellations, with particular emphasis on facility rentals;
 - (e) the timely follow-up and collection of accounts receivable;
 - (f) the timely invoicing of amounts due from customers for arena usage;
 - (g) the reconciliation and balancing of cash receipts by each cashier upon completion of each shift and the investigation and resolution by supervisory staff of any cash overages and/or underages;

- (h) the implementation of uniform facility permit agreements and forms at all sites; and
 - (i) the review and enhancement as required of the physical security of all cashier areas;
- (7) the Commissioner of Economic Development, Culture & Tourism review the adequacy of CLASS (registration and permitting system) training offered to staff, to ensure that all staff have received the necessary training and that supervisors have the ability to access key management information;
 - (8) the Commissioner of Economic Development, Culture & Tourism implement appropriate access controls on the CLASS system to restrict access and, that system identifications and passwords be reviewed and changed frequently;
 - (9) the Commissioner of Economic Development, Culture & Tourism report to the Audit Committee and the Economic Development and Parks Committee by September 30, 2000, on the implementation and status of the recommendations presented in this report; and
 - (10) this report be forwarded to the Economic Development and Parks Committee for information.

2. REVIEW OF SNOW BUDGET OVER-EXPENDITURE

City Auditor
(June 5, 2000)

Recommending that:

- (1) the Emergency Snow Plan be amended to identify corporate resources from other departments required to carry out the plan in the event of a winter storm emergency, including necessary financial, purchasing, human resources and communications personnel;
- (2) in order to facilitate budget monitoring and ensure the reporting of accurate and complete information, the Transportation Services budget be amended to establish a specific cost centre in the Financial Information System for winter maintenance activities;

- (3) the General Manager, Transportation Services conduct a review to determine the most effective mix of in-house and contracted staff that would deliver the required winter maintenance services at a minimum cost to the City, and report to the Works Committee prior to re-tendering of the winter maintenance contracts;
- (4) Finance Department staff be required to meet with district management staff in order to identify specific financial reporting requirements. Such financial reports be at a level of detail which would enable the division to effectively manage their respective budgets.
- (5) responsibility for budget monitoring be delegated to district management staff, and that timely and reliable cost and budget information be provided to these managers to enable them to monitor and compare actual costs with the approved budget at the district and activity levels;
- (6) formal performance measures be established to properly evaluate the performance of winter maintenance services and the economy, efficiency and effectiveness that such services are carried out;
- (7) the interface of Maintenance Management System with the SAP Financial Information System and Human Resources/Payroll System be expedited to eliminate duplication of processing and to ensure the accuracy and completeness of expenditure and payroll information in the Maintenance Management System;
- (8) the necessary staff, computer resources and training be provided to district operations to proceed with the timely implementation of the Maintenance Management System. Any deviations from the established timelines for implementation be reviewed and followed up ;
- (9) in consultation with Legal Services and the Purchasing and Materials Management Division, a revised Contractor Performance Evaluation Form and a Contractor Infraction Report Form be implemented for all winter maintenance contracts;
- (10) the General Manager, Transportation Services, in consultation with the Commissioner, Corporate Services and the Chief Financial Officer and Treasurer, review the Division's equipment and maintenance requirements with a view to developing a cost effective fleet management and replacement program; and
- (11) this report be forwarded to the Policy and Finance Committee for consideration.

3. ANNUAL AUDIT WORK PLAN AND PROPOSED AUDIT PROCESS AND PRELIMINARY AUDIT WORK PLAN FOR THE TORONTO POLICE SERVICE

Vice-Chair, Toronto Police Services Board
(May 23, 2000)

Recommending that the City of Toronto Audit Committee receive this report.

4. REVIEW OF ANIMAL TRANSACTION POLICIES, PROCEDURES AND PRACTICES SINCE 1988

Secretary, Board of Management, Toronto Zoo
(June 7, 2000)

Advising that the Board of Management of Toronto Zoo, on June 7, 2000, received the report (May 30, 2000) from the General Manager and CEO responding to the Auditor's Report on "Review of Animal Transaction Policies, Procedures and Practices since 1988" and directed that a copy thereof be forwarded to the Audit Committee for information.

5. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999 FOR EXHIBITION PLACE

Corporate Secretary, Exhibition Place
(June 2, 2000)

Recommending that the financial statements be received and forwarded to City Council.

6. FEASIBILITY OF CONDUCTING A PROGRAM AUDIT OF TORONTO PUBLIC HEALTH

City Auditor
(May 29, 2000)

Recommending that this report be received for information.

7. ENVIRONMENTAL AUDIT MANDATE

City Auditor
(May 29, 2000)

Recommending that this report be received for information.

8. AUDIT SERVICES - ADDITIONAL AUDIT PROJECTS

City Auditor
(May 29, 2000)

Recommending that this report be received for information.

9. AUDIT SERVICES – PARTICIPATION IN THE PEER REVIEW OF THE WAYNE COUNTY OFFICE OF THE LEGISLATIVE AUDITOR GENERAL

City Auditor
(April 25, 2000)

Recommending that this report be received for information.

10. TORONTO ZOO – TENDERING OF ADVERTISING CONTRACT

City Auditor
(June 1, 2000)

Recommending that this report be received for information and forwarded to the Budget Advisory Committee.

11. AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE TORONTO ATMOSPHERIC FUND FOR THE YEAR ENDED DECEMBER 31, 1999

Committee Secretary, Toronto Atmospheric Fund
(May 3, 2000)

Recommending that the Auditor's Report (March 21, 2000 and the Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 1999 be received and forwarded to City Council.

12. FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999 – TORONTO ZOO

Secretary, Board of Management, Toronto Zoo
(June 7, 2000)

Forwarding Financial Statements for the year ended December 31, 1999

13. CONTRACT PROCESS REVIEW – FACILITIES AND REAL ESTATE

Commissioner of Corporate Services
(June 15, 2000)

Recommending that this report be received for information.

14. IN CAMERA MATTER

TORONTO HARBOUR COMMISSIONERS (*Report Not Yet Available*)

City Auditor

Confidential report having regard that the subject matter may be subject to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

15. IN CAMERA MATTER

**TORONTO ECONOMIC DEVELOPMENT CORPORATION (TEDCO)
UPDATE)**

City Auditor
(May 26, 2000)

Confidential report having regard that the subject deals with a matter the subject of which deals with the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

16. IN CAMERA MATTER

**COMPETITION BUREAU INVESTIGATION – LIQUID CHLORINE
CONTRACT**

City Auditor
(May 24, 2000)

Confidential report having regard that the subject matter may be subject to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.