

Clause embodied in Report No. 7 of the Audit Committee, as adopted by the Council of the City of Toronto at its Special Meeting held on July 30, 31 and August 1, 2002.

4

**Forensic Audits on Various
Consulting Contracts**

(City Council at its Special Meeting held on July 30, 31 and August 1, 2002, amended this Clause by adding thereto the following:

“It is further recommended that:

- (1) the Chief Administrative Officer, in consultation with the Chief Financial Officer and Treasurer and the City Auditor, be requested to submit a report to the Audit Committee on the savings achieved, if any, by the actions that were taken by the former Chief Financial Officer and Treasurer in sending the tax bills out on time, and the appropriateness of proceeding with the TMACS system in preference to TXM 2000; and*
- (2) the City Auditor be requested to submit a report to the Audit Committee for consideration with the foregoing report requested of the Chief Administrative Officer, on the following matters:*
 - (a) a review of all circumstances related to the selection of the former City of North York tax system as the system currently being used to process tax billings at the City of Toronto;*
 - (b) an examination of all relevant documentation at the former City of North York, and an evaluation of whether or not policies and procedures at the former City of North York were followed, including whether or not such matters were reported to the Council of the former City or North York, in order to determine the circumstances related to the original hiring of the consultants at the former City of North York; and*
 - (c) an outline of the role of Audit staff with respect to work carried out in connection with the City’s tax and water billing systems, as well as the timelines when certain irregularities came to the attention of the City Auditor.”)*

(City Council on June 18, 19 and 20, 2002, deferred consideration of this Clause to the next regular meeting of City Council scheduled to be held on July 16, 2002.)

(Clause 13 of Report 6 of the Audit Committee)

The Audit Committee recommends the adoption of the confidential recommendations of the Audit Committee set out in the communication (June 13, 2002) from the City Clerk, Audit Committee and which was forwarded to Members of Council under separate cover; and further that, in accordance with the Municipal Act, discussions pertaining to this matter be held in camera, as the subject deals with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

(City Council at its meeting on June 18, 19 and 20, 2002, had before it, during consideration of the foregoing Clause, the following confidential communication and report, such communication and report to remain confidential, in their entirety, in accordance with the provisions of the Municipal Act, given that they concern matters which are subject to litigation or potential litigation:

- (i) (June 13, 2002) from the City Clerk; and
- (ii) (May 31, 2002) from the City Auditor.)

(Having regard that City Council deferred consideration of this Clause to its next regular meeting scheduled to be held on July 16, 2002, the aforementioned communication and report will be resubmitted to Council.)

(City Council on July 30, 31 and August 1, 2002, had before it, during consideration of the foregoing Clause, the following confidential communications and report, such communications and report to remain confidential, in their entirety, in accordance with the provisions of the Municipal Act, having regard that they concern matters which are subject to litigation or potential litigation:

- (i) (June 13, 2002) from the City Clerk;*
- (ii) (May 31, 2002) from the City Auditor; and*
- (iii) (September 14, 1999) addressed to the City Auditor from the Chief Financial Officer and Treasurer, submitted by Councillor Minnan-Wong.)*