
**AUDIT COMMITTEE
AGENDA
MEETING 5**

Date of Meeting: July 13, 2004
Time: 9:30 a.m.
Location: Committee Room 1
City Hall
100 Queen Street West
Toronto, Ontario

Enquiry: Frances Pritchard
Administrator
416-392-7033
teycc@toronto.ca

Under the *Municipal Act, 2001*, the Audit Committee must adopt a motion to meet In-camera (privately) and the reason must be given.

Declarations of Interest under the *Municipal Conflict of Interest Act*

Communications/Reports:

1. Status Update and Workplan - Fleet Operations Review – Phase One (Status Update)

Report (June 29, 2004) from the Commissioner of Corporate Services

Recommendation:

It is recommended that this report be received for information.

2. Procurement Process Review Implementation – Status Report

Report (June 29, 2004) from the Chief Financial Officer and Treasurer

Recommendation:

It is recommended that this report be received for information.

3. Oracle Database Review – Management Response Timetable

Report (July 5, 2004) from the Auditor General

Recommendation:

It is recommended that in accordance with previous Council directives, all City Departments, Agencies, Boards and Committees be required to respond to the Auditor General's report entitled "Oracle Database Review – Security Controls and Other Issues", dated December 12, 2003. Such response to be submitted to the September 2004 meeting of Audit Committee.

3(a). Report (June 30, 2004) from the City Librarian – Response to Auditor General's Report

Recommendation:

It is recommended that the report be received for information.

4. Status of Financial Audits of Various Financial Statements – for the Year Ended December 31, 2003

Report (June 29, 2004) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

5. Audited Financial Statements and Audit Results for the Year Ended December 31, 2003

- 5(a).** Board of Directors of the Hummingbird Centre for the Performing Arts
- 5(b).** Board of Management of the Toronto Zoo
- 5(c).** Board of Governors of Exhibition Place
- 5(d).** Canadian National Exhibition Association
- 5(e).** St. Lawrence Centre for the Arts
- 5(f).** Toronto Public Library Board
- 5(g).** Toronto Transit Commission
- 5(h).** Toronto Coach Terminal Inc.
- 5(i).** Toronto Parking Authority
- 5(j).** Heritage Toronto
- 5(k).** Toronto Sinking Funds
- 5(l).** Toronto Trust Funds

(Financial Statements distributed to Members only)

6. Consolidated Financial Statements of Toronto Atmospheric Fund for the Year Ended December 31, 2003

(Deferred from May 11, 2004)

Report (May 3, 2004) from the Executive Director, Toronto Atmospheric Fund

Recommendation:

It is recommended that City Council received the Auditor's Report (February 16, 2004) and the Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 2003

(Financial Statements distributed to Members only)

6(a). Report (June 28, 2004) from the Executive Director, Toronto Atmospheric Fund respecting Request for Information related to TAF's 2003 Financial Statements

Recommendation:

It is recommended that the Committee receive the additional information provided.

7. Community Centres and Arenas – 2003 Audited Financial Statements

Report (June 29, 2004) from the Auditor General

Recommendation:

It is recommended that the financial statements appended to this report be received for information.

(Financial Statements of the following community centres and arenas distributed to Members only:

Applegrove Community Complex; Cecil Street Community Centre; Central Eglinton Community Centre; 519 Church Community Centre; Community Centre 55; Eastview Neighbourhood Community Centre; Harbourfront Community Centre; Ralph Thornton Community Centre; Scadding Court Community Centre; Forest Hill Memorial Arena; Ted Reeve Community Arena)

8. Toronto Police Services Board's Authority to Write-off Accounts Receivable

Report (June 21, 2004) from the Chief Financial Officer and Treasurer

Recommendation:

It is recommended that this report be received for information.

9. Investment Management Review of the Toronto Parking Authority and the Toronto Public Library Board

Report (June 28, 2004) from the Chief Financial Officer and Treasurer

Recommendations:

It is recommended that the Toronto Parking Authority and the Toronto Library Board:

- (1) continue to manage their investments in accordance and in compliance with the City's investment policy;
- (2) provide the Chief Financial Officer and Treasurer with semi-annual updates of their investment portfolios and activities; and
- (3) notify the Chief Financial Officer & Treasurer whenever they identify an opportunity to invest \$1 million or greater for a period greater than one year so that the City's Finance Department can provide a competitive bid for the funds.

10. Overtime Threshold Limits

Report (June 16, 2004) from the Chief Financial Officer and Treasurer

Recommendation:

It is recommended that this report be received for information.

11. Audit Work Plan – Deferral of the Review of the City’s Disaster Recovery Plan

Report (June 15, 2004) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

12. Recording and Tracking of Blanket Purchase Order Contracts

Report (May 31, 2004) from the Chief Financial Officer and Treasurer

Recommendation:

That this report be received for information.

13. 2002 Audited Financial Statements of Community Centres

(Deferred from May 11, 2004)

Report (April 19, 2004) from the Chief Financial Officer and Treasurer respecting the 2002 Audited Financial Statements of the Scadding Court and Swansea Town Hall Community Centres

Recommendation:

It is recommended that the financial statements appended to this report be received.

(Financial Statements distributed to Members only)

13(a). Community Centres – Audit Management Letters – Scadding Court Community Centre and Swansea Town Hall

Report (June 29, 2004) from the Commissioner, Community and Neighbourhood Services

Recommendation:

It is recommended that this report be received for information.

14. 2002 Audited Financial Statements of Arenas

(Deferred from May 11, 2004)

Report (April 19, 2004) from the Chief Financial Officer and Treasurer respecting the 2002 Audited Financial Statements of Arenas

Recommendation:

It is recommended that the financial statements appended to this report be received.

(Financial Statements distributed to Members only)

14(a). Audit Management Letter for Ted Reeve Community Arena – December 31, 2002

Report (July 5, 2004) from the Auditor General

Recommendations:

It is recommended that:

- (1) the management letter issued for the Ted Reeve Community Arena for the year ended December 31, 2002, be received for information; and
- (2) the Commissioner of Economic Development, Culture and Tourism be directed to ensure that the issues identified in the management letter are addressed and reported back to the Audit Committee by September 2004.

15. Financial Statements of Business Improvement Areas

(Deferred from May 11, 2004)

Report (April 29, 2004) from the Chief Financial Officer and Treasurer

Recommendations:

It is recommended that:

- (1) the 2002 financial statements appended to this report for Business Improvement Areas operated by Boards of Management be received; and

- (2) members of the Upper Village (York) and the Upper Village (Toronto) Business Improvement Areas be requested to ensure the preparation and audit of financial statements for all years up to December 31, 2003 is expedited and submitted to the July meeting of Audit Committee.

(Financial Statements distributed to Members only)

15(a). Management Letters for Business Improvement Areas – December 31, 2002

Report (July 5, 2004) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

16. Response to 2002 Audit Management Letters for Business Improvement Areas

Report (June 24, 2004) from the Commissioner of Economic Development, Culture and Tourism

Recommendation:

It is recommended that the report be received for information.

17. 2003 Audited Financial Statements – Toronto Hydro Corporation

Communication (May 25, 2004) from the City Clerk, forwarding, for information, the report (April 26, 2004) from the Chief Financial Officer and Treasurer and the 2003 Financial Statements of the Toronto Hydro Corporation, attached Policy and Finance Committee Report 4, Clause 14, titled “2003 Annual General Meeting – Toronto Hydro Corporation”, which was adopted by City Council on May 18, 19 and 20, 2004

18. External Audit of the City of Toronto's Auditor General's Office - Request for Quotation No. 9155-04-7232

Joint Report (June 29, 2004) from the Chief Administrative Officer and Chief Financial Officer and Treasurer

Recommendations:

It is recommended that:

- (1) authority be granted to enter into a contract with SF Partnership LLP, the only bid received meeting specifications, in the amount of \$5,350.00 including all charges and taxes to conduct an external audit of the City of Toronto's Auditor General's Office for the year ending December 31, 2003;
- (2) the option to renew the contract with SF Partnership LLP for two additional one-year terms in the amount of \$4,815.00 including all charges and taxes in 2005 and \$4,815.00 including all charges and taxes in 2006, under the same terms and conditions be reviewed by the Chief Administrative Officer in co-operation with the Purchasing Agent, provided the first term of the contract was performed satisfactorily, and subject to budget approval for each one-year optional period to ensure it is feasible to extend the contract;
- (3) provided that there is a favourable review, in accordance with Recommendation No. 2 the Chief Administrative Officer be delegated the authority to exercise the renewal options on the terms and conditions set out above and be authorized to instruct the Purchasing Agent to process the necessary contract;
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

19. Consulting Contract Review – Network Architecture Group Inc. and EDS Canada Inc.

Report (April 21, 2004) from the Auditor General.

Recommendation:

It is recommended that this report be received for information.

- 19(a).** Report (April 26, 2004) from the Commissioner of Corporate Services – Management Response – Contract Review – Network Architecture Group Inc. and EDS Canada Inc.

Recommendation:

It is recommended that this report be received for information.

- 19(b).** Report (June 24, 2004) from the Commissioner of Corporate Services

Recommendation:

It is recommended that this report be received for information.

20. Telephone System Selection for the City of Toronto – Forensic Review

(Deferred from May 11, 2004)

(In Camera – Confidential Appendix B – Personal Information)

Report (December 12, 2003) from the Auditor General.

Recommendation:

It is recommended that this report be received for information.

- 20(a).** Report (April 26, 2004) from the Commissioner of Corporate Services – Management Response – Forensic Review of Telephone System Selection for the City of Toronto

Recommendation:

It is recommended that this report be received for information.