

Audit Committee

Meeting No.	1	Contact	Rosemary MacKenzie, Council Administrator
Meeting Date	Monday, January 29, 2007	Phone	416-392-8021
Start Time	9:30 AM	E-mail	rmacken@toronto.ca
Location	Committee Room No. 2, City Hall		

Members of the Committee, Officials concerned and all others receiving a copy of the Agenda and accompanying material for this meeting are respectfully requested to bring them to such meeting and retain all documentation until the City Council meeting dealing with these matters has concluded. **No additional copies will be available.**

For further information or assistance, please contact Rosemary MacKenzie at 416-392-8021, or E-mail at rmacken@toronto.ca. Please call if you require any special assistance. Attendant Care Services can be made available with some advance notice - please call 416-392-8021, TTY 416-338-0889 if you require this service.

Notice to correspondents

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Audit Committee		
Councillor Mike Del Grande	Councillor Doug Holyday	Councillor Anthony Perruzza
Councillor Rob Ford	Councillor John Parker	Councillor Karen Stintz

If the Audit Committee wishes to meet in-camera (privately) a motion must be made to do so and the reason given (*Municipal Act, 2001*).

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

Speakers/Presentations – A complete list will be distributed at the meeting

Communications/Reports

AU1.1	ACTION			
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Election of Chair and Vice-Chair

(December 13, 2006) letter from the City Clerk.

Summary

Election of Chair and Vice-Chair

Background Information

Appointment of Members of Council to the Audit Committee

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-722.pdf>)

AU1.2	Information			Wards: All
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The Audit Committee - Roles and Responsibilities

(January 12, 2007) report from the Auditor General.

Summary

The roles and responsibilities of the Audit Committee are outlined, in general terms, in the Toronto Municipal Code. The purpose of this report is to provide additional information, for the benefit of the members of the Audit Committee, on each one of the roles. This is particularly important in the context of the increasing profiles of Audit Committees both in the public and private sectors.

Background Information

The Audit Committee - Roles and Responsibilities

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-747.pdf>)

AU1.3	ACTION			Wards: All
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Auditor General's Office - 2007 Budget

(December 29, 2006) report from the Auditor General.

Recommendations

The Auditor General recommends that:

1. The Audit Committee approve the attached 2007 budget for the Auditor General's

Office and forward it to the Budget Committee.

Financial Impact

The 2007 budget request for the Auditor General's Office is \$3,988,443 which is \$107,181 in excess of the 2006 final budget of \$3,881,262. The proposed budget contains audit fees in the amount of \$320,755 relating to the external financial audit.

2006 Approved Budget	2007 Budget Request	Increase	%
\$3,881.3	\$3,988.4	\$107.2	2.8

Summary

This report provides information relating to the 2007 budget for the Auditor General's Office and a recommended budget for approval by the Audit Committee.

The Auditor General's 2007 budget request is for \$3,988,443 which is \$107,181, (2.8 per cent) greater than the Office's 2006 Council approved budget.

Background Information

Auditor General's Office - 2007 Budget Report

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-748.pdf>)

Appendix 1 - Auditor General's Office - 2007 Budget

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-749.pdf>)

Attachments - External Quality Control Review of the Auditor General's Office

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-750.pdf>)

AU1.4	Information			
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Toronto Transit Commission - Maintenance and Administrative Controls Review - Facilities and Real Estate

(October 18, 2006) letter from the Interim Chief General Manager, Toronto Transit Commission.

Summary

The TTC was asked to report to the Audit Committee on the results of its Maintenance and Administrative Controls Review.

Background Information

TTC Letter - Maintenance and Administrative Controls Review

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-744.pdf>)

AU1.5	Information			
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Toronto Transit Commission - 2005 Audit Management Letter - Follow-up Report

(October 26, 2006) letter from the General Secretary, Toronto Transit Commission.

Summary

The Toronto Transit Commission forwarded the follow-up report on the 2005 Auditor's Management Letter to the Audit Committee for information.

Background Information

Attachment - 2005 Management Letter Follow-up Report

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-741.pdf>)

TTC Report 19 - 2005 Audit Management Letter - Follow-up Report

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-742.pdf>)

TTC Letter forwarding Report 19

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-765.pdf>)

AU1.6	ACTION			
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Toronto Police Services Board - Response to the Recommendation by Ernst and Young Related to the City of Toronto Results - December 31, 2005

(November 20, 2006) report from the Chair, Toronto Police Services Board.

Recommendations

The Toronto Police Services Board recommends that:

1. the Audit Committee forward future Letters of Recommendations pertaining to the Toronto Police Service directly to the Toronto Police Services Board for its consideration and appropriate action.

Financial Impact

There are no financial implications in regard to the approval of the recommendation contained in this report.

Summary

The purpose of this report is to advise the Audit Committee that the Toronto Police Service has implemented the recommendation contained on page 30 in the report by Ernst and Young pertaining to the City of Toronto Audit Results – December 31, 2005.

Background Information

Police Services Board Response to the Recommendation by Ernst and Young

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-727.pdf>)

TPSB - Minute #P279 with Ernst and Young Audit Results

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-728.pdf>)

(The report from Ernst and Young, titled “City of Toronto Audit Results - December 31, 2005”, was distributed to Members of Council only. The complete report is available through the City Clerk’s Office.)

AU1.7	Information			Wards: All
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Response to Request for Information on Toronto Public Library Trust

(January 12, 2007) report from the Treasurer.

Summary

The purpose of this report is to explain the history and rationale for the transfer of funds in the amount of \$1,722,000 from the Toronto Public Library to the Toronto Public Library Foundation.

A review was conducted on the Toronto Public Library’s Trust Funds which revealed that funds previously designated as Trust Funds by the Library did not meet the Public Sector Accounting definition of a trust fund. The Library’s external auditors recommended that these funds be transferred to the Toronto Public Library Foundation, in order to comply with this reporting requirement and to optimize administrative efficiencies and investment opportunities.

Background Information

Response to Request for Information on Toronto Public Library Trust

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-746.pdf>)

AU1.8	Information			Wards: All
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Association of Community Centres (AOCCs) - Program Funding Sources

(January 15, 2007) report from the Treasurer.

Summary

When receiving the 2005 financial statements for Community Centre 55, Audit Committee requested further information regarding the funding and use of program reserves by AOCC centres. This report provides a summary of the relationship between the City and AOCC

centres as defined in the Relationship Framework approved by Council on September 25, 26 and 27, 2006.

Background Information

Association of Community Centres (AOCCs) - Program Funding Sources
<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-745.pdf>

AU1.9	Information			
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Toronto Community Housing Corporation - 2005 Audited Consolidated Financial Statements

(October 2, 2006) letter from the City Clerk.

Summary

City Council on September 25, 26 and 27, 2006, adopted, without amendment, Policy and Finance Committee Report 7, Clause 14, headed “Toronto Community Housing Corporation - 2005 Annual Report to Shareholder, Audited Consolidated Financial Statements and Annual General Meeting” and in so doing, referred the Toronto Community Housing Corporation 2005 Audited Financial Statements to the Audit Committee for review.

Background Information

Council Decision Letter - TCHC Financial Statements
<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-763.pdf>
 TCHC - 2005 Audited Financial Statements
<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-764.pdf>
 Policy and Finance Committee Report 7, Clause 14 (2006)
<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-803.pdf>

(A complete copy of Policy and Finance Committee Report 7, Clause 14, headed “Toronto Community Housing Corporation - 2005 Annual Report to Shareholder, Audited Consolidated Financial Statements and Annual General Meeting” was distributed to Members of the Audit Committee only. The Clause is available through the City Clerk’s Office.)