

## Audit Committee

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

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*The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Report to City Council or to the Minutes for the official record.*

### *How to Read the Decision Document:*

- *recommendations of the Committee to City Council appear after the item heading and any amendments by Committee to recommendations appearing in a staff report are italicized;*
- *action taken by the Committee on its own authority does not require Council's approval and is listed in the decision document under the heading "Decision Advice and Other Information" at the end of the item;*
- *Declarations of Interest, if any, appear at the end of an item.*

AU1.1	Information		Transactional	
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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>)

**Decision Advice and Other Information**

The Audit Committee elected Councillor Doug Holyday as its Chair, and Councillor Mike Del Grande as its Vice Chair.

AU1.2	Information		Transactional	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>

**Decision Advice and Other Information**

The Audit Committee received the report (January 12, 2007) from the Auditor General for information.

AU1.3	Information		Transactional	Wards: All
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**Auditor General's Office - 2007 Budget**

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

**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>)

## Decision Advice and Other Information

The Audit Committee recommended to the Budget Committee approval of the 2007 Budget for the Auditor General's Office.

Jeff Griffiths, Auditor General and Jerry Shaubel, Director, Auditor General's Office, made a presentation to the Audit Committee respecting the 2007 Budget for the Auditor General's Office.

AU1.4	Information		Transactional	
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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>)

## Decision Advice and Other Information

The Audit Committee received the letter (October 18, 2006) from the Interim Chief General Manager, Toronto Transit Commission, for information.

AU1.5	Information		Transactional	
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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>)

#### **Decision Advice and Other Information**

The Audit Committee received the letter (October 26, 2006) from the General Secretary, Toronto Transit Commission, together with the attached report entitled "2005 Audit Management Letter - Follow-Up Report", for information.

AU1.6	Information		Transactional	
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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.

#### **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>

### Decision Advice and Other Information

The Audit Committee deferred consideration of this Item to its next meeting on April 13, 2007, and directed that the attachment from Ernst and Young be reprinted in a more readable size.

AU1.7	Information		Transactional	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>

### Decision Advice and Other Information

The Audit Committee received the report (January 12, 2007) from the Treasurer for information.

AU1.8	Information		Transactional	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>)

## Decision Advice and Other Information

The Audit Committee received the report (January 15, 2007) from the Treasurer for information.

AU1.9	Information		Transactional	
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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>)

## Decision Advice and Other Information

The Audit Committee received the Toronto Community Housing Corporation 2005 Audited Financial Statements for information.

**Meeting Sessions**

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2007-01-29	Morning	9:40 AM	11:05 AM	Public