

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 2, City Hall		

Attendance

Members of the Audit Committee were present for some or all of the time periods indicated under the section headed “Meeting Sessions”, which appears at the end of the Minutes.

Councillor Doug Holyday, Chair	X
Councillor Mike Del Grande, Vice-Chair	X
Councillor Rob Ford	X
Councillor John Parker	X
Councillor Anthony Perruzza	X
Councillor Karen Stintz	X

AU1.1	Information	Amended	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 of the Audit Committee

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

Councillor Ford nominated Councillor Holyday as Chair of the Audit Committee. There being no further nominations, Councillor Doug Holyday was declared Chair of the Audit Committee.

Councillor Ford nominated Councillor Del Grande as Vice-Chair of the Audit Committee. There being no further nominations, Councillor Mike Del Grande was declared Vice-Chair of the Audit Committee.

AU1.2	Information	Received	Transactional	Ward: 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

On motion by Councillor Perruzza, the Audit Committee received the report (January 12, 2007) from the Auditor General for information.

AU1.3	Information	Adopted	Transactional	Ward: 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

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

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

Appendix 1 - Auditor General's Office - 2007 Budget

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

Auditor General's Office - 2007 Budget Report

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

Committee Recommendations

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

Speakers

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.

Decision Advice and Other Information

On motion by Councillor Stintz, the Audit Committee recommended to the Budget Committee approval of the 2007 Budget for the Auditor General's Office.

AU1.4	Information	Received	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

On motion by Councillor Parker, the Audit Committee received the letter (October 18, 2006) from the Interim Chief General Manager, Toronto Transit Commission, for information.

AU1.5	Information	Received	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

TTC Letter forwarding Report 19
(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-765.pdf>)
TTC Report 19 - 2005 Audit Management Letter - Follow-up Report
(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-742.pdf>)
Attachment - 2005 Management Letter Follow-up Report
(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-741.pdf>)

Decision Advice and Other Information

On motion by Councillor Perruzza, 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	Deferred	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.

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

TPSB - Minute #P279 with Ernst and Young Audit Results

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

Police Services Board Response to the Recommendation by Ernst and Young

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

Decision Advice and Other Information

On motion by Councillor Del Grande, 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	Received	Transactional	Ward: 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

On motion by Councillor Ford, the Audit Committee received the report (January 12, 2007) from the Treasurer for information.

AU1.8	Information	Received	Transactional	Ward: 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

On motion by Councillor Parker, the Audit Committee received the report (January 15, 2007) from the Treasurer for information.

AU1.9	Information	Received	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

Policy and Finance Committee Report 7, Clause 14 (2006)

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-803.pdf>)

TCHC - 2005 Audited Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-764.pdf>)

Council Decision Letter - TCHC Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2007/au/bgrd/backgroundfile-763.pdf>)

Speakers

Councillor David Shiner - Ward 24, Willowdale

Decision Advice and Other Information

On motion by Councillor Del Grande, 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	11:06 AM	Public