
Audit Committee

Meeting No. 7
Meeting Date Tuesday, April 22, 2008
Start Time 9:30 AM
Location Committee Room 1, City Hall

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Audit Committee

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Meeting Date	Tuesday, April 22, 2008	Phone	416-392-8021
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AU7.3	Adopted			Ward: All
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Disaster Recovery Planning for City Computer Facilities

City Council Decision

City Council on May 26 and 27, 2008, adopted the following motions:

1. The City Manager develop a formal disaster recovery planning and preparedness protocol with the agencies, boards and commissions. The protocol should ensure co-ordination, collaboration and communication related to computer facility disaster recovery planning and preparedness.
2. The City Manager implement a disaster recovery and business continuity program that includes divisional roles and responsibilities, resource and training requirements, and simulation and plan maintenance schedules.
3. The Chief Information Officer report to the Business Advisory Panel on a periodic basis, such reporting to include updates on disaster recovery planning and preparedness for information technology systems.
4. The Chief Information Officer take action to ensure management responsible for maintaining City computer systems receive timely direction, guidance and training on preparing consistent City-wide disaster recovery plans.
5. The Chief Information Officer review the backup and storage procedures of City information technology units for:
 - a. compliance with acceptable standards and practices for data backup and storage requirements; and

- b. divisions with the opportunity to participate in existing data storage arrangements within the City or with the outside service provider.
6. The City Manager, in consultation with the Chief Information Officer, direct divisions to test information technology disaster recovery plans on a regular basis.
7. The Chief Information Officer develop disaster recovery testing guidelines and provide training necessary to ensure cross-divisional consistency.

(April 3, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. The City Manager develop a formal disaster recovery planning and preparedness protocol with the Agencies, Boards and Commissions. The protocol should ensure coordination, collaboration and communication related to computer facility disaster recovery planning and preparedness.
2. The City Manager implement a disaster recovery and business continuity program that includes divisional roles and responsibilities, resource and training requirements, and simulation and plan maintenance schedules.
3. The Chief Information Officer to report to the Business Advisory Panel on a periodic basis. Such reporting to include updates on disaster recovery planning and preparedness for information technology systems.
4. The Chief Information Officer take action to ensure management responsible for maintaining City computer systems receive timely direction, guidance and training on preparing consistent City-wide disaster recovery plans.
5. The Chief Information Officer review the backup and storage procedures of City information technology units for:
 - a. compliance with acceptable standards and practices for data backup and storage requirements; and
 - b. divisions with the opportunity to participate in existing data storage arrangements within the City or with the outside service provider.
6. The City Manager, in consultation with the Chief Information Officer, direct divisions to test information technology disaster recovery plans on a regular basis.
7. The Chief Information Officer develop disaster recovery testing guidelines and provide training necessary to ensure cross-divisional consistency.

Committee Decision Advice and Other Information

Mr. Alan Ash, Director, Auditor General's Office, and Mr. Dave Wallace, Chief Information Officer, made a presentation to the Audit Committee on Disaster Recovery Planning for City Computer Facilities, and filed a copy of their presentation materials.

Financial Impact

The implementation of recommendations in this report will improve management controls over disaster recovery planning for City computer facilities. The extent of any resources required or potential cost savings resulting from implementing the recommendations in this report is not determinable at this time.

Summary

The objective of our audit was to review the working relationship between the City and its Agencies, Boards and Commissions in relation to information technology disaster recovery planning, City disaster recovery planning policies and procedures and the role of the Information and Technology Division in the creating, coordinating and overseeing disaster recovery planning initiatives for City computer facilities.

Certain additional work is needed in order to protect and maintain critical City information technology resources in the event of an extended service disruption or disaster. As the City's Information Technology Governance and Transformation Project unfolds, management should place a high priority on addressing the challenges and gaps identified in this report in disaster recovery planning and preparedness.

The implementation of the recommendations in the report will improve the City's approach to disaster recovery planning for City computer facilities to minimize the negative effects of extended computer service interruptions and maintain critical public services in the event of a disaster.

Background Information (Committee)

Disaster Recovery Planning for City Computer Facilities - report (April 3, 2008) from the Auditor General

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12053.pdf>

Appendix 1

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12054.pdf>

Appendix 2 Management's Response

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12055.pdf>

AU7.4	Adopted			Ward: All
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Request for Proposal 9171-08-7025, External Audit Services for Arenas, Community Centres and Miscellaneous Entities

City Council Decision

City Council on May 26 and 27, 2008, adopted the following motions:

1. Authority be granted to enter into an agreement in the amount of \$646,095.00 net of GST to Grant Thornton LLP having submitted the highest scoring proposal meeting the requirements of the RFP for external audit services to perform the financial statement audits for City Arenas, Community Centres and Miscellaneous Entities for the years 2008 to 2012 inclusive.
2. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(April 4, 2008) Report from the Auditor General and the Director, Purchasing and Materials Management

Committee Recommendations

The Audit Committee recommends that:

1. Authority be granted to enter into an agreement in the amount of \$646,095.00 net of GST to Grant Thornton LLP having submitted the highest scoring proposal meeting the requirements of the RFP for external audit services to perform the financial statement audits for City Arenas, Community Centres and Miscellaneous Entities for the years 2008 to 2012 inclusive.
2. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

The total contract award identified in this report is \$678,399.75, including all applicable taxes and charges. The cost to the City net of GST is \$646,095.00. The total annual audit fees for the three categories of entities (Arenas, Community Centres and Miscellaneous Entities) listed in Attachment 1 for the years 2008 to 2012 inclusive are shown in the table below. The cost of audit fees (excluding 2008 fees for the Clean Air Partnership and the Toronto Atmospheric Fund) for 2008 is \$108,100.00, representing a 55% increase over 2007 audit fees. Audit fees will increase by \$190 per year per entity for the years 2009-2012, representing annual increases of approximately 3-4%.

Arenas (net of GST)	Community Centres (net of GST)	Miscellaneous Entities (net of GST)	Total (net of GST)
\$219,450.00	\$307,895.00	\$118,750.00	\$646,095.00

Each entity is responsible for providing for these fees in their respective budgets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Summary

The purpose of this report is to advise on the results of Request for Proposal (RFP) 9171-08-7025 for external audit services to perform the financial statement audits for City Arenas, Community Centres and Miscellaneous Entities (Heritage Toronto, Yonge-Dundas Square, the Toronto Atmospheric Fund and the Clean Air Partnership) for the years 2008 to 2012 inclusive and to request authority to enter into an agreement with the recommended proponent.

Background Information (Committee)

Request for Proposals 9171-08-7025 - External Audit Services for Arenas, Community Centres and Misc. Entities - staff report (April 4/08)
(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12051.pdf>)

AU7.7	Adopted			
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Financial Statements for the year ended December 31, 2007 - The North York Performing Arts Centre Corporation

City Council Decision

City Council on May 26 and 27, 2008, adopted the following motion:

1. City Council receive for information, the 2007 Financial Statements for The North York Performing Arts Centre Corporation.

(December 31, 2007) Report from The North York Performing Arts Centre Corporation

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the 2007 Financial Statements for The North York Performing Arts Centre Corporation.

Committee Decision Advice and Other Information

The Audit Committee requested The North York Performing Arts Centre Corporation to submit directly to City Council for its meeting on May 26, 2008, the actual contribution amount the City of Toronto has had to make to the Corporation since amalgamation.

Summary

The North York Performing Arts Centre Corporation [operating as "The Toronto Centre for the Arts"] has submitted 2007 Financial Statements to the Audit Committee for consideration.

Background Information (Committee)

Financial Statements for the year ended December 31, 2007 - The North York Performing Arts Centre Corporation

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12031.pdf>

Background Information (City Council)

(May 20, 2008) report from the Vice President of Operations, Toronto Centre for the Arts (AU7.7a)

<http://www.toronto.ca/legdocs/mmis/2008/cc/bgrd/backgroundfile-13037.pdf>

Submitted Tuesday, April 22, 2008

Councillor Doug Holyday, Chair, Audit Committee