
Audit Committee

Meeting No.	8	Contact	Rosemary MacKenzie, Council Administrator
Meeting Date	Thursday, July 10, 2008	Phone	416-392-8021
Start Time	9:30 AM	E-mail	rmacken@toronto.ca
Location	Committee Room 1, City Hall		

AU8.1	Adopted			Ward: All
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City of Toronto - 2007 Audited Consolidated Financial Statements

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council approve the City of Toronto's 2007 Consolidated Financial Statements for the year ended December 31, 2007, as attached in Appendix A.

(June 24, 2008) Report from Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Audit Committee recommends that:

1. City Council approve the City of Toronto's 2007 Consolidated Financial Statements for the year ended December 31, 2007 as attached in Appendix A.

Committee Decision Advice and Other Information

The Audit Committee requested:

1. City officials to move towards a plain language approach when submitting future Financial Statements to the Audit Committee.
2. The Deputy City Manager and Chief Financial Officer to:

- i. report to Council through the Audit Committee on an appropriate ratio of all net liabilities as a percentage of own source revenues including employee benefits, debenture debt, mortgages, and provincial loans;
 - ii. include in future City Financial Statements, an analysis of Toronto Economic Development Corporation Office (TEDCO) payment to the Toronto Port Authority made by the City, which represents a true state of financial affairs; and
 - iii. report to the November 6, 2008 meeting of the Audit Committee on all outstanding credit balances in City accounts (such as credits for trees, road work, and property taxes), and that the age of the credits be included.
3. That in future years, the annual schedule of meetings for the Audit Committee include:
- one meeting to review the City's audited consolidated financial statements; and
 - a separate meeting to review the financial statements of agencies, boards and commissions (ABCs) including business improvement areas (BIAs), arenas and community centres.
4. A copy of the City's 2007 Consolidated Financial Statements be forwarded to the Employee and Labour Relations Committee, for information, and with a request that the Committee consider the high level of unfunded employee liability in the upcoming collective bargaining process.

Mr. Cam Weldon, Treasurer, made a presentation to the Audit Committee on the City of Toronto's 2007 Audited Consolidated Financial Statements, and filed a copy of his presentation material.

Financial Impact

There are no financial implications as a result of this report.

Summary

The purpose of this report is to present the City of Toronto's Consolidated Financial Statements for the year ended December 31, 2007 to Council for approval and provide highlights of the City's 2007 financial performance and financial condition as of December 31, 2007.

Background Information (Committee)

Report (June 24, 2008) from the Deputy City Manager and Chief Financial Officer - 2007 Audited Consolidated Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14401.pdf>)

Appendix A - 2007 Consolidated Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14402.pdf>)

Appendix B - Key Issues/Risks Facing the City of Toronto

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14403.pdf>)

Appendix C - Five Year Summary of Consolidated Revenues and Expenditures

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14404.pdf>

Speakers (Committee)

Councillor Shelley Carroll

AU8.2	Adopted			
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City of Toronto Audit Results - Year Ended December 31, 2007

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the City of Toronto Audit Results for the year ended December 31, 2007, submitted by Ernst & Young, Chartered Accountants.

(June 10, 2008) Report from Ernst & Young, Chartered Accountants

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the City of Toronto Audit Results for the year ended December 31, 2007, submitted by Ernst & Young, Chartered Accountants.

Committee Decision Advice and Other Information

Ms. Diana M. Brouwer, Ernst & Young, Chartered Accountants, made a presentation to the Audit Committee on the City of Toronto Audit Results - Year Ended December 31, 2007.

Summary

This report to the Audit Committee summarizes the issues of audit significance discussed with management and provides the communications required by our professional standards.

The audit was designed to express an opinion on the December 31, 2007 consolidated financial statements of the City. In planning the audit, we held discussions with management, considered current and emerging business risks, performed an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We received the full support and assistance of the organization's personnel in conducting our audit.

Background Information (Committee)

City of Toronto - Audit Results - Year Ended December 31, 2007
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14447.pdf>

AU8.3	Adopted			
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Financial Statements for the Year Ended December 31, 2007 - Agencies, Boards and Commissions

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the 2007 Financial Statements and related documents for the following agencies, boards and commissions:
 - Exhibition Place
 - Heritage Toronto
 - Toronto Hydro Corporation
 - The Sony Centre for the Performing Arts
 - St. Lawrence Centre for the Arts
 - Toronto Public Library
 - Toronto Transit Commission
 - Toronto Zoo
 - Yonge-Dundas Square Board of Management
 - Toronto Atmospheric Fund.

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the 2007 Financial Statements and related documents for the following agencies, boards and commissions:
 - Exhibition Place
 - Heritage Toronto
 - Toronto Hydro Corporation
 - The Sony Centre for the Performing Arts
 - St. Lawrence Centre for the Arts
 - Toronto Public Library
 - Toronto Transit Commission
 - Toronto Zoo
 - Yonge-Dundas Square Board of Management
 - Toronto Atmospheric Fund

Committee Decision Advice and Other Information

The Audit Committee requested the City's agencies, boards and commissions to include their Audit Results Package when submitting Financial Statements to the Audit Committee.

Summary

2007 Financial Statements have been submitted to the Audit Committee for consideration by the following agencies, boards and commissions:

- Exhibition Place
- Heritage Toronto
- Toronto Hydro Corporation
- The Sony Centre for the Performing Arts
- St. Lawrence Centre for the Arts
- Toronto Public Library
- Toronto Transit Commission
- Toronto Zoo
- Yonge-Dundas Square Board of Management
- Toronto Atmospheric Fund

3a Exhibition Place - 2007 Consolidated Financial Statements and 2007 Audit Results

(June 12, 2008) Report from the Chief Executive Officer, Exhibition Place

Summary

Audited Consolidated Financial Statements and Audit Results for Exhibition Place for the year ended December 31, 2007.

Background Information (Committee)

Report (May 12, 2008) from the Chief Executive Officer, Exhibition Place, forwarding 2007 Financial Statements

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13633.pdf>

Consolidated Financial Statements - Board of Governors of Exhibition Place, December 31, 2007 (Ernst & Young)

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13634.pdf>

Report (May 12, 2008) from the Chief Executive Officer, Exhibition Place, forwarding 2007 Audit Results

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13635.pdf>

Board of Governors of Exhibition Place, Audit Results for the year ended December 31, 2007 (Ernst & Young)

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13636.pdf>

3b Heritage Toronto - Financial Statements December 31, 2007

Summary

Financial Statements for Heritage Toronto for the year ended December 31, 2007.

Background Information (Committee)

Financial Statements for Heritage Toronto - December 31, 2007
(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14454.pdf>)

3c Toronto Hydro Corporation - Consolidated 2007 Annual Financial Statements

(June 25, 2008) Letter from City Council

Summary

City Council on June 23 and 24, 2008, adopted Item EX21.6, headed "Toronto Hydro Corporation - Annual General Meeting, Audited Annual Financial Statements and Unaudited 1st Quarter 2008 Financial Results ", without amendment, and in so doing, referred the Toronto Hydro Corporation's Consolidated 2007 Annual Financial Statements in Attachment 2 to the Audit Committee for review.

Background Information (Committee)

Letter from City Council (June 25, 2008) forwarding Toronto Hydro's Consolidated 2007 Annual Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14448.pdf>)

Cover report (May 14, 2008) from Deputy City Manager and Chief Financial Officer, submitting Toronto Hydro Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14449.pdf>)

Consolidated Financial Statements - Toronto Hydro Corporation, December 31, 2007

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14450.pdf>)

3d The Sony Centre for the Performing Arts - 2007 Audited Financial Statements

Summary

Audited Financial Statements for The Sony Centre for the Performing Arts for the year ended December 31, 2007.

Background Information (Committee)

Financial Statements for The Sony Centre for the Performing Arts - December 31, 2007 (Ernst & Young)

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13638.pdf>)

Audit Results Package - Sony Centre for the Performing Arts - December 31, 2007 (Ernst & Young)

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14453.pdf>)

3e St. Lawrence Centre for the Arts - Financial Statements December 31, 2007

Summary

Financial Statements for the St. Lawrence Centre for the Arts for the year ended December 31, 2007.

Background Information (Committee)

Financial Statements - St. Lawrence Centre for the Arts, December 31, 2007
(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14455.pdf>)

3f Toronto Public Library - 2007 Financial Statements and Audit Results

(May 29, 2008) Report from the City Librarian

Summary

Audited Financial Statements and Audit Results for the Toronto Public Library for the year ended December 31, 2007.

Background Information (Committee)

Report (May 29, 2008) from the City Librarian, Toronto Public Library, forwarding 2007 Financial Statements and Audit Results

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14505.pdf>)

Audited Financial Statements - Toronto Public Library Board, December 31, 2007

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14506.pdf>)

Toronto Public Library Board, Audit Results for year ended December 31, 2007 (Ernst & Young)

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14507.pdf>)

3g Toronto Transit Commission - Consolidated Financial Statements for the Year Ended December 31, 2007

(May 22, 2008) Report from the General Secretary, Toronto Transit Commission

Summary

Consolidated Financial Statements for the Toronto Transit Commission for the year ended December 31, 2007.

Background Information (Committee)

Letter (May 22, 2008) from the General Secretary, Toronto Transit Commission

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14451.pdf>)

Toronto Transit Commission Report No. 1(d) dated May 21, 2008

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14452.pdf>)

Consolidated Financial Statements - Toronto Transit Commission, December 31, 2007 (Ernst & Young)

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14503.pdf>

3h Toronto Zoo Board of Management - 2007 Financial Statements

(May 22, 2008) Report from Secretary, Board of Management of the Toronto Zoo

Summary

Financial Statements for the Toronto Zoo Board of Management for the year ended December 31, 2007.

Background Information (Committee)

Cover report (May 22, 2008) from the Secretary, Board of Management of the Toronto Zoo, forwarding 2007 Financial Statements

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13808.pdf>

Consolidated Financial Statements - Board of Management of the Toronto Zoo, December 31, 2007 (Ernst & Young)

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13809.pdf>

3i Yonge-Dundas Square Board of Management - 2007 Financial Statements

(April 22, 2008) Report from the General Manager, Yonge-Dundas Square Board of Management

Summary

Financial Statements for Yonge-Dundas Square Board of Management for the year ending December 31, 2007.

Background Information (Committee)

Financial Statements for the Yonge-Dundas Square Board of Management - December 31, 2007 (Grant Thornton)

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-13637.pdf>

3j Toronto Atmospheric Fund - Consolidated Financial Statements for the Year Ended December 31, 2007

Summary

Consolidated Financial Statements for the Toronto Atmospheric Fund for the year ended December 31, 2007.

Background Information (Committee)

Financial Statements for the Toronto Atmospheric Fund - December 31, 2007

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14634.pdf>

AU8.5	Adopted			Ward: All
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City of Toronto Trust Funds - 2007 Consolidated Financial Statements

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council approve the 2007 Audited Trust Funds Consolidated Financial Statements as attached in Appendix A.

(June 25, 2008) Report from the Treasurer

Committee Recommendations

The Audit Committee recommends that:

1. City Council approve the 2007 Audited Trust Funds Consolidated Financial Statements as attached in Appendix A.

Financial Impact

There are no financial impacts resulting from this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information

Summary

The purpose of this report is to present the City of Toronto's Consolidated Trust Funds Financial Statements for the year ended December 31, 2007 (Attachment A) to the Audit Committee for information.

Background Information (Committee)

Report (June 25, 2008) from the Treasurer - Trust Funds - 2007 Audited Consolidated Financial Statements

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14397.pdf>

Trust Funds - Attachment A - 2007 Consolidated Financial Statements

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14398.pdf>

Trust Funds - Attachment B - 2007 Audit Results

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14399.pdf>

AU8.6	Adopted			Ward: All
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Status of the Financial Audits of the City's Agencies, Boards and Commissions for the Year Ended December 31, 2007

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the status report of the financial audits of the City's agencies, boards and commissions for the year ended December 31, 2007.

(June 20, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the status report of the financial audits of the City's agencies, boards and commissions for the year ended December 31, 2007.

Financial Impact

The recommendation in this report has no financial impact.

Summary

The purpose of this report is to provide the Audit Committee and City Council with the status of financial audits of the City's agencies, boards and commissions for the year ended December 31, 2007.

The majority of audits of the City's agencies, boards and commissions have been completed and approved by their respective Boards. The one outstanding financial report, Toronto Economic Development Corporation will be available for the next Audit Committee meeting.

Background Information (Committee)

Report (June 20, 2008) from the Auditor General - Status of the Financial Audits of the City's Agencies, Boards and Commissions for the Year Ended December 31, 2007
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14370.pdf>

AU8.8	Adopted			Ward: All
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Business Improvement Areas (BIAs) - 2007 Audited Financial Statements - Report No. 1

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council approve the 2007 audited financial statements and management letters of the Business Improvement Areas attached as Appendices A-1 to Y-1.

(June 19, 2008) Report from the Treasurer and the Director, Small Business and Local Partnerships, Economic Development, Culture and Tourism

Committee Recommendations

The Audit Committee recommends that:

1. City Council approve the 2007 audited financial statements and management letters of the Business Improvement Areas attached as Appendices A-1 to Y-1.

Financial Impact

There are no financial implications resulting from this report.

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

Summary

The purpose of this report is to present the 2007 audited financial statements and management letters of twenty-four Business Improvement Areas (BIAs) to City Council for approval.

Background Information (Committee)

Report (June 19, 2008) from the Treasurer and the Director, Small Business and Local Partnerships, Economic Development, Culture and Tourism - Business Improvement Areas - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14332.pdf>)

Appendix A-1 - Bloorcourt Village BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14333.pdf>)

Appendix B-1 - Bloor West Village BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14334.pdf>)

Appendix C-1 - Bloor-Yorkville BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14335.pdf>)

Appendix D-1 - Corso Italia BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14336.pdf>)

Appendix E-1 - Danforth Village BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14337.pdf>)

Appendix F-1 - Eglinton Hill BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14338.pdf>)

Appendix G-1 - Harbord Street BIA - 2007 Financial Statements

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14339.pdf>)

Appendix G-2 - Harbord Street Management Letter BIA
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14340.pdf>

Appendix H-1 - Korea Town BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14341.pdf>

Appendix I-1 - Lakeshore Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14342.pdf>

Appendix J-1 - Liberty Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14343.pdf>

Appendix K-1 - Little Italy BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14344.pdf>

Appendix L-1 - Mimico by the Lake BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14345.pdf>

Appendix M-1 - Old Cabbagetown BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14346.pdf>

Appendix N-1 - Parkdale Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14347.pdf>

Appendix O-1 - Queens Quay Harbourfront BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14348.pdf>

Appendix O-2 - Queens Quay Harbourfront Management Letter
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14349.pdf>

Appendix P-1 - Riverside BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14350.pdf>

Appendix Q-1 - Roncesvalles Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14351.pdf>

Appendix R-1 - Rosedale Mainstreet BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14352.pdf>

Appendix R-2 - Rosedale-Mainstreet Management Letter
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14353.pdf>

Appendix S-1 - Sheppard East Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14354.pdf>

Appendix T-1 - St. Clair Gardens BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14355.pdf>

Appendix U-1 - The Beach BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14356.pdf>

Appendix V-1 - The Danforth BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14357.pdf>

Appendix W-1 - Uptown Yonge BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14358.pdf>

Appendix X-1 - Yonge-Lawrence Village BIA - 2007 Financial Statements
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14359.pdf>

Appendix X-2 - Yonge-Lawrence Village Management Letter
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14360.pdf>

Appendix Y-1 - Summary Management Letter
<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14361.pdf>

AU8.10	Adopted			Ward: All
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Managing the Risk of Overpayments in the Administration of Social Assistance, Toronto Social Services

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motions:

1. The General Manager, Toronto Social Services, in the event that the Province does not amend its policy in relation to the recovery of certain benefit overpayments, be required to report to City Council on the following:
 - a. the amount of such non-recoverable overpayments; and
 - b. the administrative costs involved in determining the overpayment amounts.
2. The General Manager, Toronto Social Services, subsequent to any policy change by the Province, request the Province to amend the provincial information system such that it calculates overpayments consistent with provincial direction. The information system should exclude non-recoverable benefits from overpayments created by the system.
3. The General Manager, Toronto Social Services, give consideration to amending the extent of current participation reviews to include a component which addresses the financial status of all clients. Comprehensive participation reviews, which include a financial component review currently conducted by certain area offices, be expanded as a best practice to all area offices.
4. The General Manager, Toronto Social Services, as part of the joint venture agreement with the Province on the development of an on-line client application process, advise the Province of the need to expand this joint venture to include the on-line reporting of client financial information changes.
5. The General Manager, Toronto Social Services, revise the current reporting processes, in order to ensure that reports meet the requirements of the users. All such reports be developed in a manner which facilitates efficient and effective supervisory review. Evidence of such review be documented.
6. The General Manager, Toronto Social Services, continue ongoing deliberations with the Province in connection with the limitations of the provincial information system. These deliberations should reinforce the need for an efficient system that will reduce both the incidence of overpayments due to system error and the associated resources required to correct these errors.
7. The General Manager, Toronto Social Services, establish a case file standard in order to assist staff in preparing and retaining adequate documentation to support decisions concerning overpayments. The following minimum documentation requirements should be included in all files:
 - the reason for the overpayment;
 - the date the overpayment occurred;

- documents that were verified or retained in the file;
 - any adjustments made and the amount; and
 - details of the amount of recovery initiated or an explanation as to why the recovery of an overpayment was deferred.
8. The General Manager, Toronto Social Services assess the risk and extent of resources required to determine whether or not there is value in maintaining the current requirement to review all overpayments originating from other municipalities.

(May 13, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. The General Manager, Toronto Social Services, in the event that the Province does not amend its policy in relation to the recovery of certain benefit overpayments, be required to report to City Council on the following:
 - a. the amount of such non-recoverable overpayments; and
 - b. the administrative costs involved in determining the overpayment amounts.
2. The General Manager, Toronto Social Services, subsequent to any policy change by the Province, request the Province to amend the provincial information system such that it calculates overpayments consistent with provincial direction. The information system should exclude non-recoverable benefits from overpayments created by the system.
3. The General Manager, Toronto Social Services, give consideration to amending the extent of current participation reviews to include a component which addresses the financial status of all clients. Comprehensive participation reviews, which include a financial component review currently conducted by certain area offices, be expanded as a best practice to all area offices.
4. The General Manager, Toronto Social Services, as part of the joint venture agreement with the Province on the development of an on-line client application process, advise the Province of the need to expand this joint venture to include the on-line reporting of client financial information changes.
5. The General Manager, Toronto Social Services, revise the current reporting processes in order to ensure that reports meet the requirements of the users. All such reports be developed in a manner which facilitates efficient and effective supervisory review. Evidence of such review be documented.
6. The General Manager, Toronto Social Services, continue ongoing deliberations with the Province in connection with the limitations of the provincial information system. These deliberations should reinforce the need for an efficient system that will reduce both the

incidence of overpayments due to system error and the associated resources required to correct these errors.

7. The General Manager, Toronto Social Services, establish a case file standard in order to assist staff in preparing and retaining adequate documentation to support decisions concerning overpayments. The following minimum documentation requirements should be included in all files:
 - the reason for the overpayment;
 - the date the overpayment occurred;
 - documents that were verified or retained in the file;
 - any adjustments made and the amount; and
 - details of the amount of recovery initiated or an explanation as to why the recovery of an overpayment was deferred.

8. The General Manager, Toronto Social Services assess the risk and extent of resources required to determine whether or not there is value in maintaining the current requirement to review all overpayments originating from other municipalities.

Financial Impact

The implementation of recommendations in this report will improve the administration of overpayments related to providing social assistance. The extent of any resources required or efficiencies achieved from implementing the recommendations in this report is not determinable at the present time.

Summary

In 2005, the City of Toronto Auditor General issued a report titled, "Recovery of Social Assistance Overpayments, Toronto Social Services". The review focused on the administration, monitoring and recovery of inactive social assistance overpayments (cases not currently receiving any assistance) and contained 14 recommendations. As of May 2008, 10 of the 14 recommendations have been implemented and there are divisional plans to implement the other four in 2008. This current report relating to active social assistance overpayments was deferred to provide the Division adequate time to address the 2005 recommendations.

The integrity of the City's social assistance program is contingent on ensuring that benefits are accurately paid and when overpayments occur they are effectively and efficiently administered.

The primary objective of this review was to determine why social assistance overpayments occur and to identify opportunities to prevent such overpayments. Further, we assessed whether the Division has adequate controls in place to ensure the effective and efficient administration of overpayments including compliance with legislative requirements and internal procedures and practices.

Our review found that Toronto Social Services has adequate processes in place to effectively administer overpayments. However, the implementation of the recommendations in this report will further improve existing controls and contribute to achieving administrative efficiencies.

Background Information (Committee)

Report (May 13, 2008) from the Auditor General - Managing the Risk of Overpayments in the Administration of Social Assistance, Toronto Social Services

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14409.pdf>

Appendix 1 - Managing the Risk of Overpayments in the Administration of Social Assistance, Toronto Social Services

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14410.pdf>

Appendix 2 - Management's Response to the Auditor General's Review

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14411.pdf>

AU8.11	Adopted			Ward: All
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Auditor General's Status Report on Outstanding Audit Recommendations for City Divisions

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motions:

1. City Council receive for information, the report (June 24, 2008) from the Auditor General.
2. City Council not authorize the public release of Attachment 1 - Confidential Information, as this attachment contains confidential information relating to:
 - a. security of property belonging to the City or one of its agencies, boards, and commissions;
 - b. litigation or potential litigation that affects the City or one of its agencies, boards and commissions; and
 - c. advice or communications subject to solicitor-client privilege.

Confidential Attachment 1 to the report (June 24, 2008) from the Auditor General, remains confidential in its entirety, in accordance with the provisions of the City of Toronto Act, 2006, as it contains information related to the security of the property of the municipality or one of its agencies, boards and commissions, litigation or potential litigation that affects the City or one of its agencies, boards or commissions, and contains advice or communications that are subject to solicitor-client privilege.

Confidential Attachment - 1. This report involves the security of property belonging to the City or one of its agencies, boards, and commissions. 2. This report is about litigation or potential litigation that affects the City or one of its agencies, boards, and commissions. 3. This report contains advice or communications subject to solicitor-client privilege.

(June 24, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the report (June 24, 2008) from the Auditor General.
2. City Council not authorize the public release of Attachment 1 - Confidential Information as this attachment contains confidential information relating to:
 - a. security of property belonging to the City or one of its agencies, boards, and commissions;
 - b. litigation or potential litigation that affects the City or one of its agencies, boards, and commissions; and
 - c. advice or communications subject to solicitor-client privilege

Financial Impact

The recommendations in this report have no financial impact.

Summary

This report provides information regarding the implementation status of audit recommendations contained in various reports issued by the Auditor General to City divisions. The report is the third such annual report issued by the Auditor General related to follow-up on management efforts to implement outstanding recommendations.

Management has made significant progress on implementing outstanding audit recommendations. Further, we noted that management continues to make progress on many recommendations not yet fully implemented.

The results of our review indicate management has fully implemented 690 or 85 per cent of the 919 recommendations made by the Auditor General from January 1, 1999 to June 30, 2007.

Continued efforts to implement outstanding recommendations will provide additional benefit to the City through cost savings, additional revenue and enhanced service delivery.

Background Information (Committee)

Auditor General's report (June 24, 2008) - Auditor General's Status Report on Outstanding Audit Recommendations for City Divisions

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14377.pdf>

Attachment 2 - Auditor General's Status Report on Outstanding Audit Recommendations for City Divisions

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14378.pdf>

AU8.12	Adopted			Ward: All
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Auditor General's Status Report on Outstanding Audit Recommendations for City Agencies, Boards and Commissions

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the report (June 1, 2008) from the Auditor General.

(June 1, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the report (June 1, 2008) from the Auditor General.

Financial Impact

The recommendations in this report have no financial impact.

Summary

This report provides information regarding the implementation status of audit recommendations contained in various reports issued by the Auditor General to the City's agencies, boards and commissions. The report is the second annual report issued by the Auditor General related to follow-up on management efforts to implement outstanding recommendations at the City's agencies, boards and commissions.

Management has made significant progress on implementing outstanding audit recommendations. Further, it appears management continues to make progress on recommendations not fully implemented.

The results of our review indicate that on a combined basis, City agencies, boards and commissions have implemented 90 per cent of the 135 recommendations made by the Auditor General from January 1, 1999 to June 30, 2007.

Continued efforts to implement outstanding recommendations will provide additional benefit to the City through cost savings, additional revenue and enhanced service delivery.

Background Information (Committee)

Report (June 1, 2008) from the Auditor General - Auditor General's Status Report on

Outstanding Audit Recommendations for City Agencies, Boards and Commissions

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14380.pdf>)

Appendix 1 - Board of Directors, Toronto Parking Authority

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14384.pdf>)

Appendix 2 - Toronto Police Services Board

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14385.pdf>)

Appendix 3 - Board of Health

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14386.pdf>)

Appendix 4 - Toronto Public Library Board

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14387.pdf>)

Appendix 5 - Board of Management of the Toronto Zoo

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14388.pdf>)

12a Toronto Public Library Response to Auditor General's Report – Results of Follow-up of Previous Audit Recommendations

(June 30, 2008) Report from the City Librarian

Summary

This purpose of this report is to provide a response to the Auditor General's report on *Results of Follow-up of Previous Audit Recommendations* which provides the status of implementation of recommendations contained in their 2006 report *Fines and Income Review – Toronto Public Library*. The Auditor General's report was presented to the Toronto Public Library Board for information at its June 16, 2008 meeting.

Background Information (Committee)

Report (June 30, 2008) from the City Librarian - Toronto Public Library Response to Auditor General's Report - Results of Follow-up of Previous Audit Recommendations

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14513.pdf>)

Attachment 1 - Toronto Public Library, Audit Recommendations Fully Implemented

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14514.pdf>)

Attachment 2 - Toronto Public Library - Audit Recommendations, Not Fully Implemented

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14515.pdf>)

AU8.13	Adopted		Ward: All
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Arenas – 2007 Audited Financial Statements and Management Letters

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the 2007 audited financial statements and management letters of Arenas attached as Appendices.

(June 20, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the 2007 audited financial statements and management letters of Arenas attached as Appendices.

Financial Impact

The recommendation in this report has no financial impact.

Summary

The purpose of this report is to provide the Audit Committee and City Council with the 2007 audited financial statements and management letters of Arenas.

The 2007 audited financial statements for five out of eight Arenas are presented to the Audit Committee after approval by their respective Boards of Management. In addition, the accounting firm of Grant Thornton, the financial auditor for each of these entities, has issued management letters to seven Arenas of which three are not yet finalized. According to Grant Thornton, Forest Hill Memorial Arena did not receive a management letter as there are no material control deficiencies to report. The outstanding management letters and the financial statements for three Arenas will be tabled at the next meeting of Audit Committee.

Background Information (Committee)

Report (June 20, 2008) Auditor General - Arenas - 2007 Audited Financial Statements and Management Letters

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14412.pdf>

Arenas - Appendix 1 Forest Hill

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14413.pdf>

Arenas - Appendix 2 George Bell

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14414.pdf>

Arenas - Appendix 3 McCormick

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14415.pdf>

Arenas - Appendix 4 Moss Park

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14416.pdf>

Arenas - Appendix 5 William H. Bolton

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14417.pdf>

Arenas - Appendix 6 - George Bell Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14418.pdf>

Arenas - Appendix 7 McCormick Playground Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14419.pdf>

Arenas - Appendix 8 Moss Park Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14420.pdf>

Arenas - Appendix 9 William H Bolton Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14421.pdf>

AU8.14	Adopted			Ward: All
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Community Centres – 2007 Audited Financial Statements and Management Letters

City Council Decision

City Council on September 24 and 25, 2008, adopted the following motion:

1. City Council receive for information, the 2007 audited financial statements and management letters of Community Centres attached as Appendices.

(June 20, 2008) Report from the Auditor General

Committee Recommendations

The Audit Committee recommends that:

1. City Council receive for information, the 2007 audited financial statements and management letters of Community Centres attached as Appendices.

Financial Impact

The recommendation in this report has no financial impact.

Summary

The purpose of this report is to provide the Audit Committee and City Council with the 2007 audited financial statements and management letters of Community Centres.

The 2007 audited financial statements and management letters for the ten Community Centres are presented to Audit Committee after approval by their respective Boards of Management.

Background Information (Committee)

Report (June 20, 2008) Auditor General - Community Centres 2007 Audited Financial Statements and Management Letters

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14423.pdf>)

Appendix 1 - Applegrove

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14424.pdf>)

Appendix 2 - Cecil Street

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14425.pdf>)

Appendix 3 - Central Eglinton

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14426.pdf>)

Appendix 4 - Community Centre 55

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14427.pdf>)

Appendix 5 - 519 Church Street Community Centre

(<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14428.pdf>)

Appendix 6 - Eastview Neighbourhood Community Centre

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14429.pdf>

Appendix 7 - Harbourfront Community Centre

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14430.pdf>

Appendix 8 - Ralph Thornton Community Centre

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14431.pdf>

Appendix 9 - Scadding Court Community Centre

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14432.pdf>

Appendix 10 - Swansea Town Hall

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14433.pdf>

Appendix 11 - Applegrove Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14434.pdf>

Appendix 12 - Cecil Street Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14435.pdf>

Appendix 13 - Central Eglinton Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14436.pdf>

Appendix 14 - Community Centre 55 Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14437.pdf>

Appendix 15 - 519 Church Street Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14438.pdf>

Appendix 16 - Eastview Neighbourhood Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14439.pdf>

Appendix 17 - Harbourfront Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14440.pdf>

Appendix 18 - Ralph Thornton Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14441.pdf>

Appendix 19 - Scadding Court Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14442.pdf>

Appendix 20 - Swansea Town Hall Community Centre Mgmt Letter

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-14443.pdf>

Submitted Thursday, July 10, 2008

Councillor Doug Holyday, Chair, Audit Committee