



# AUDITOR GENERAL'S REPORT ACTION REQUIRED

## Audit Request by the City's Executive Committee – Sony Centre for the Performing Arts

<b>Date:</b>	April 30, 2013
<b>To:</b>	Board of Directors of the Sony Centre for the Performing Arts
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

### SUMMARY

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This report responds to the request of the City's Executive Committee at its meeting of November 19, 2012 as follows:

“City Council request the Auditor General to consider undertaking a complete audit of the Sony Centre for the Performing Arts during the years 2006-2011 inclusive of business plans.”

The purpose of this report is to advise the Board of Directors of the Sony Centre for the Performing Arts that the Auditor General will amend his 2013 audit work plan to address the request of the City's Executive Committee. The audit will focus on the Sony Centre redevelopment project only.

### RECOMMENDATIONS

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#### The Auditor General recommends that:

1. The Board of Directors receive this report for information.
2. The Board of Directors forward this report to the City's Audit Committee for information.

#### Financial Impact

The recommendations in this report have no financial impact.

## **ISSUE BACKGROUND**

Chapter 3 of Toronto's Municipal Code provides that the:

“Auditor General is responsible for carrying out financial (excluding attest), compliance and performance audits of all programs, activities and functions of all City departments, the offices of the Mayor and members of Council, local boards (restricted definition) and City controlled corporations.”

The request from Executive Committee to conduct a complete audit of the Sony Centre for the Performing Arts was made on November 19, 2012. The Auditor General's annual audit work plan for 2013 was submitted to Audit Committee on October 25, 2012 and consequently, did not include the request of Executive Committee.

In regards to the annual audit plan, Chapter 3 of the Municipal Code further provides that:

“No deletions or amendments to the annual audit plan shall be made except by the Auditor General.

Council may add to the annual audit plan by a two-thirds vote of all Council members (30 members).”

The Auditor General annual work plan is predicated on a number of factors including staff resources, materiality, risk, management or political concerns, the extent of any communications to the fraud and waste hotline, and the anticipated value of the audit results. Generally, audit work is conducted on areas where there is likely to be significant pay back in terms of cost savings and where opportunities exist for improved controls.

The Auditor General has not conducted any audit work at the Sony Centre for some time generally due to the fact that on a relative basis the extent of its operations has not been significant in terms of the overall City operations. Further, the availability of audit resources has precluded such audit work.

## **COMMENTS**

Generally, because of the significant funds involved from both a financing and expenditure perspective, the Auditor General has determined that the 2013 audit work plan should be revised to include an audit of the Sony Centre redevelopment project.

Due to other audit commitments currently in progress and the lack of available audit resources, it is anticipated that this audit will not commence until the end of July 2013. The reporting out of the results of this audit will be dependent on the complexity of issues identified.

## **CONCLUSION**

Over the past number of years, the Auditor General has conducted a number of audits on the management of construction projects, the most recent one pertained to the Union Station Revitalization project. In view of the significant funds involved as well as the request of the City's Executive Committee, the Auditor General will amend his 2013 work plan to include an audit of the Sony Centre redevelopment project.

## **CONTACT**

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## **SIGNATURE**

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Jeff Griffiths, Auditor General