

2012 Investment Policy Compliance

Date:	October 15, 2013
To:	Audit Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2013\Internal Services\Cf\Ac13020cf (AFS #17060)

SUMMARY

To provide Price Waterhouse Coopers' findings, observations and recommendations contained in their report, "Report on Compliance with the City's Investment Policy", dated October 9, 2013 and attached to this report.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. Council receive this report for information.

Financial Impact

There is no financial impact resulting from this report.

DECISION HISTORY

On an annual basis, as required by the City's Investment Policy, the City's external auditor conducts an independent investment compliance review of the City's money market and bond investment portfolios.

ISSUE BACKGROUND

The Investment Policy and Procedures, originally approved by Council in January 1998 and amended in October, 2012, requires that:

“The Deputy City Manager and Chief Financial Officer shall establish an annual process of independent review by the City's Auditor. This review will provide assurance of compliance with governing legislation, this investment policy and procedures.”

COMMENTS

It should be noted for context that the City's cash management and investment program has been successful in achieving its performance objectives as compared to industry benchmarks while efficiently managing the City's financial market operations and fulfilling its funding obligations.

The Corporate Finance Division continues to manage a combined investment portfolio in excess of \$4.5 billion, excluding the City's Sinking Fund, and generates annual investment income of \$140 million which is allocated between non-program revenue in the operating budget and reserve funds.

In 2012, the investment function generated approximately 1,015 transactions.

In their engagement letter, PWC states that they cannot provide an audit opinion since they are not auditing financial statements but fulfilling the requirements of the CICA Handbook, section 9100, "Reports on the results of Applying Specific Auditing Procedures to Financial Information other than Financial Statements".

The attached report, dated October 9, 2013, received from the City's external auditors, states the procedures that were performed do not constitute an audit and while PWC does not provide an opinion, they have presented the results of their review and tests which provide evidence that they did not find any exceptions to the City's compliance to its investment policy.

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SIGNATURE

Roberto Rossini
Deputy City Manager and Chief Financial Officer

ATTACHMENT:

Attachment 1: PriceWaterhouseCoopers LLP – 2012 Compliance with the City of Toronto's Investment Policy