



## AUDITOR GENERAL'S REPORT ACTION REQUIRED

### Status of the Financial Audits of the City's Agencies and Corporations for the Year Ended December 31, 2013

<b>Date:</b>	June 12, 2014
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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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 and Corporations for the year ended December 31, 2013.

The majority of the audits of the City's Agencies and Corporations have been completed and approved by their respective Boards. Any financial statements that are outstanding will be available for the next Audit Committee meeting, anticipated for February 2015.

#### **RECOMMENDATION**

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**The Auditor General recommends that:**

1. City Council receive this report on the status of the financial audits of the City's Agencies and Corporations for the year ended December 31, 2013.

#### **Financial Impact**

The recommendation in this report has no financial impact.

#### **ISSUE BACKGROUND**

The protocol relating to financial statements and management letters for City Agencies requires the governing body of each entity, subsequent to approval and review, to submit to the City's Audit Committee, for information purposes, copies of audited financial

statements and management letters. Management responses are to be appended to each management letter. The Audit Committee also requested that financial statements and management letters be tabled at the Audit Committee at the same time.

The annual audited financial statements for City Corporations are reported to the Executive Committee and City Council through a report from the City Manager's Office as part of annual shareholder meetings. Once City Council has adopted the financial statements of the City Corporations, they are forwarded to the Audit Committee for information.

This report provides City Council with the status of the financial audits for the City's Agencies and Corporations for the year ended December 31, 2013.

PricewaterhouseCoopers LLP is the financial statement auditor of the City and its major local boards. Details of the status of the various financial audits of Agencies and Corporations, and their subsidiaries, conducted by PricewaterhouseCoopers are as follows:

<b>Name of Entity</b>	<b>Status</b>
Board of Management of the Toronto Zoo	Completed – approved by the Board
Board of Governors of Exhibition Place	In progress
Board of Directors of the Sony Centre for the Performing Arts	Completed – approved by the Board
St. Lawrence Centre for the Arts	Completed – approved by the Board
The Toronto Centre for the Arts	Completed – approved by the Board
Toronto Public Library Board	Completed – approved by the Board
Toronto Transit Commission	Completed – approved by the Board
• Toronto Coach Terminal Inc.	Completed – approved by the Board
• TTC Insurance Company Limited	Completed – approved by the Board
Toronto Parking Authority	Completed – approved by the Board
Toronto Sinking Funds	Completed – pending approval by City Council
Toronto Trust Funds	Completed – pending approval by City Council
Toronto Community Housing Corporation	Completed – approved by the Board
• Housing Services Inc.	There is no certainty with the timing of completion of this audit
Toronto Port Lands Company	Completed – approved by the Board
Build Toronto Inc.	Completed – approved by the Board
Invest Toronto Inc.	Completed – approved by the Board

Agencies are responsible for the provision of audited financial statements and information about subsidiaries, joint ventures and equity interests and the financial statements of subsidiaries to City Clerk for Audit Committee agenda. The Auditor General is responsible for following up with the Agencies to ensure timely submission of the required information. The City Manager's Office is responsible for coordinating the provision and timely submission of the required information from City Corporations.

The accounting firm of Welch LLP is responsible for the financial audits of Heritage Toronto, Yonge-Dundas Square and Toronto Atmospheric Fund. Details on the status of the miscellaneous audits conducted by Welch LLP are as follows:

Heritage Toronto	Completed – pending approval by the Board
Yonge-Dundas Square	Completed – approved by the Board
Toronto Atmospheric Fund	Completed – approved by the Board

Welch LLP is also responsible for the financial audits of the City's Arenas and Community Centres. The financial statements of Arenas and Community Centres are provided under separate cover.

## **CONTACT**

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## **SIGNATURE**

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Jeffrey Griffiths, Auditor General