
**AUDIT COMMITTEE
AGENDA
MEETING No. 1**

Date of Meeting:	April 9, 2003	Enquiry:	Frances Pritchard
Time:	9:30 a.m.		Administrator
Location:	Committee Room 1		392-7033
	City Hall		teycc@toronto.ca
	100 Queen Street West		

Declarations of Interest Pursuant to the Municipal Conflict of Interest Act.

Confirmation of Minutes of Meetings of September 25, November 8 and November 22, 2002.

PRESENTATIONS

1. Procurement Processes Review – City of Toronto

(Presentation by the Auditor General)

Report (March 31, 2003) from the Auditor General recommending that:

- (1) the recommendations in the attached detailed report (Appendix A) be adopted, and that the Chief Administrative Officer, Chief Financial Officer and Treasurer and Commissioners take the necessary action to implement the recommendations, accordingly;
- (2) the Chief Financial Officer and Treasurer:
 - (i) appoint a project manager and identify other resources required to oversee and facilitate the implementation of the recommendations in this report; and
 - (ii) report to the Administration Committee by September 2003 with an implementation plan outlining the specific action taken or to be taken, any one time and ongoing funds required to implement the recommendations, and timelines for the action to be taken; and

- (3) the Chief Financial Officer and Treasurer, following the approval of the implementation plan by the Administration Committee in September 2003, report semi-annually to the Audit Committee with respect to the status of the implementation of the recommendations contained in the attached detailed report.

2. SAP Financial and Human Resources/Payroll Information Systems – Post Implementation Review (*Report Not Yet Available*)

(Presentation by the Auditor General)

COMMUNICATIONS/REPORTS:

3. Audit Work Plan - 2003

Report (January 6, 2003) from the Auditor General, providing City Council with details of the Auditor General's work plan for the year ended December 31 2003, and recommending that that the 2003 work plan for the Auditor General's Office, as set out in this report, be received for information.

4. Comments Relating to the Toronto Parking Authority Management's Response to the Audit Report Entitled - An Assessment of the Adequacy and Effectiveness of Financial and Administrative Controls

Report (March 25, 2003) from the Auditor General, recommending that this report be received for information.

5. National Association of Local Government Auditors – 2003 Annual Conference

Report (March 19, 2003) from the Auditor General, providing the Audit Committee with information relating to the upcoming annual conference of the National Association of Local Government Auditors, to be held in Toronto on June 15 - 17, 2003, and recommending that:

- (1) this report be received for information; and
- (2) this report also be forwarded to the Economic Development and Parks Committee for information.

6. Terms of Reference

Report (March 28, 2003) from the Auditor General, providing the Audit Committee with the terms of reference for audit projects that have recently been started or that will commence shortly, and recommending that this report be received for information.

7. Request for Proposals – External Audit Services

Report (March 21, 2003) from the Auditor General reporting on the outlines of the process being undertaken to obtain external audit services for the City for the years 2003 to 2007 inclusive, and recommending that this report be received for information.

8. McCormick Playground Arena – Audit Management Letter

Report (March 24, 2003) from the Auditor General, recommending that:

- (1) the management letter issued for the Committee of Management for the McCormick Playground Arena be received for information; and
- (2) the Chief Administrative Officer be directed to ensure that the issues identified in the management letter are addressed and to report back to the Audit Committee by June 30, 2003 on the action taken to implement the recommendations contained in the management letter.

9. Audit Management Letter – Leaside Memorial Community Gardens

Report (March 25, 2003) from the Auditor General, and recommending that:

- (1) the management letter issued for the Board of Management for the Leaside Memorial Community Gardens be received for information;
- (2) the Chief Administrative Officer be directed to ensure that the issues identified in the management letter are addressed and to report back to the Audit Committee by July 31, 2003, on the action taken to implement the recommendations contained in the management letter; and

- (3) the Chief Financial Officer and Treasurer be required to establish procedures in relation to the Centre which will ensure that:
 - (a) there is a timely settlement of the funds owed by the Centre to the City;
 - (b) the reconciliation of the due to and due from accounts are completed on a regular basis;
 - (c) the appropriate level of payroll information is provided to the Centre on a regular basis;
 - (d) all other outstanding matters such as debt repayment dates, the Centre's capital funding and future cash flow requirements are resolved; and
 - (e) the Chief Financial Officer and Treasurer report back to the Audit Committee by July 31, 2003, on the action taken to address the above recommendations.

10. Audit Management Letters Relating to Individual Boards of Management for Community Centres

Report (March 20, 2003) from the Auditor General, recommending that:

- (1) the individual management letters issued for each of the Boards of Management for Community Centres be received for information; and
- (2) the Chief Administrative Officer be directed to ensure that the issues identified in the individual management letters are addressed and report back to the Audit Committee by July 31, 2003.

11. Audit Management Letters - Arenas

Report (March 20, 2003) from the Auditor General, recommending that:

- (1) the individual management letters issued for each of the Committees of Management for Arenas be received for information; and
- (2) the Chief Administrative Officer be directed to ensure that the issues identified in the individual management letters are addressed and report back to the Audit Committee by July 31, 2003.

12. Audit Management Letters Relating to Individual Business Improvement Areas

Report (March 24, 2003) from the Auditor General, recommending that:

- (1) the individual management letters issued for each of the Business Improvement Areas be received for information; and
- (2) the Commissioner of Economic Development, Culture & Tourism be directed to ensure that the issues identified in the individual management letters are addressed and report back to the Audit Committee by July 31, 2003.

13. Contract Compliance Review - Viacom Outdoor Canada

Report (March 19, 2003) from the Commissioner, Works and Emergency Services, recommending that:

- (1) approval be given to increase the City's allocation for public service advertising from the current 6 percent to 7.7 percent and amend the agreement accordingly in order to fully recover the shortfall experienced over the initial term of the contract and amounts that were paid during this period for City public service campaigns; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

14. Response to City Auditor's Report – "Environment Issues and Audit Plan", dated May 30, 2002

Report (March 31, 2003) from the Chief Administrative Officer, providing a response to the observations and recommendations in the Environment Issues and Audit Report dated May 30, 2002, from the City Auditor.

- 14(a).** Clause 4 contained in Report No. 6 of the Audit Committee, titled "Environment Issues and Audit Plan", which was adopted by the Council of the City of Toronto at its meeting held on June 18, 19 and 20, 2002.

15. Semi-Annual Update: Response to the Review of the Investigation of sexual assaults – Toronto Police Service

Communication (December 18, 2002) from the Acting Chair, Toronto Police Services Board, recommending that the Audit Committee receive this communication.

16. Update on the 2001 Audit Projects involving the Toronto Police Service and 2002 Audit Work Plan

Communication (December 3, 2002) from the Chairman, Toronto Police Services Board, recommending that the Audit Committee receive the communication for information

17. Collection of Outstanding Accounts and the Use of Bailiffs Reference – Toronto Police Service

Communication (January 17, 2003) from the Chairman, Toronto Police Services Board responding to the Audit Committee request for information on actions have been taken to-date by the Toronto Police Service with respect to the collection of outstanding accounts receivable and whether action has been taken to include the use of bailiffs for the collection of outstanding accounts receivable beyond 90 days, and recommending that this Audit Committee received this communication

18. Status Report – Discussions with Ministry of Municipal Affairs and Housing regarding powers of the Auditor General

Report (February 27, 2003) from the Chief Administrative Officer, recommending that this report be received for information.

19. Update on Workplan to Address Issues Raised in 2000 Management Letter

Report (March 25, 2003) from Chief Financial Officer & Treasurer, recommending that this update report on workplan progress be received and forwarded to Council for information.

20. Audited Financial Statements of Arenas

Report (March 27, 2003) from the Chief Financial Officer and Treasurer, recommending that the financial statements appended to this report be received.

(Financial Statements of Arenas forwarded to Members only)

21. 2001 Financial Statements of Business Improvement Areas

Report (March 27, 2003) from the Chief Financial Officer, recommending that the financial statements appended to this report be received.

(Financial Statements of Business Improvement Areas forwarded to Members only)

22. 2001 TEDCO Financial Statements

Report (March 19, 2003) from the Chief Financial Officer and Treasurer, recommending that the 2001 financial statements for the City of Toronto Economic Development Corporation be received.

23. 2001 Audited Financial Statements of the Eastview and Ralph Thornton Community Centres

Report (March 18, 2003) from the Chief Financial Officer, recommending that the financial statements appended to this report be received.

24. Corporate Accountability Framework – Final Status Update on Use of Consultants

Report (March 19, 2003) from the Chief Administrative Officer recommending that:

- (1) the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer report to the Administration Committee prior to December 31, 2004, on a policy regarding the control of fixed assets, such policy to include the keeping of detailed records for all fixed assets over a specified amount and a requirement for periodic physical inventory counts to ensure that adequate controls exist to safeguard the assets; and

- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

25. Quality Assurance Procedures in the Building Division Responding to Recommendations of the Audit Committee in Relation to Recommendation No. 2 of the Audit Committee Report No. 10, Urban Development Services Building Division Review

Communication (March 31, 2003) from the City Clerk, Planning and Transportation Committee advising of the Committee's action of March 24, 2003 and forwarding the report (February 24, 2003) from the Commissioner of Urban Development Services for information.