

THE CITY OF TORONTO

Clerk's Department

Minutes of the Audit Committee

Meeting No. 1

Wednesday, April 9, 2003

The Audit Committee met on Wednesday, April 9, 2003 in Committee Room 1, 2nd Floor, City Hall, commencing at 9:30 a.m.

On motion by Councillor Walker, the Minutes of the Meetings held on September 25, November 8 and November 22, 2002 were confirmed.

1.1 Procurement Processes Review – City of Toronto

The Audit Committee had before it a report (March 31, 2003) from the Auditor General, respecting Procurement Processes Review - City of Toronto and 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.

The Audit Committee heard a presentation from the Auditor General.

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee recommended that:

- (1) the report (March 31, 2003) from the Auditor General be adopted;

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- (2) consideration be given to implementing complete recording and retention procedures for the documentation of action during the RFP/RFQ process, including the establishment of a formal meeting process and the recording of minutes of such meetings;
- (3) the Canadian Content Policy be suspended pending the requested report on the potential repeal of the policy to the Administration Committee;
- (4) the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, during the implementation process and in its report to the Administration Committee, include in their implementation documents, those observations and ideas identified in the report (March 31, 2003) from the Auditor General;
- (5) the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, in their implementation report, in relation to new technology, give consideration to the control of purchases and inventory via bar code technology.

Recommendation No. (1) carried on the following division of votes:

Yeas: Councillors Balkissoon, Ford, Jones and Kelly - 4
Nays: Councillor Walker - 1

Recommendation No. (3) carried on the following division of votes:

Yeas: Councillors Balkissoon, Ford and Kelly - 3
Nays: Councillor Jones and Walker - 2

The following motion by Councillor Jones was voted on and lost

“the Ethics Steering Committee review the need for penalties for Councillors in violation of the Code of Conduct for Members of Council.”

(Report No. 1, Clause 8)

1.2 SAP Financial and Human Resources/Payroll Information Systems – Post Implementation Review

The Audit Committee had before it a report (April 4, 2003) from the Auditor General, respecting SAP Financial and Human Resources/Payroll Information Systems - Post Implementation Review and recommending that:

- (1) the Chief Financial Officer and Treasurer, and the Commissioner of Corporate Services, report back to the July 2003 Audit Committee on the steps taken to implement the recommendations contained in this report;

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- (2) the Chief Financial Officer and Treasurer report further on the final costs to implement SAP, as previously reported in the "SAP Implementation Final Report" dated December 4, 2001. Such report to take into account the correct approved capital budget amounts, as well as the additional salary costs charged to departmental operating budgets as identified in this report;
- (3) the Chief Administrative Officer amend the City policy relating to the preparation of detailed business cases supporting all major capital projects. The amended policy include the requirement that projected internal staff costs, relating to those staff with significant involvement in capital projects, be identified and accounted for in all business cases. Such information be provided even if staff costs are not charged to the capital project;
- (4) the Commissioner of Corporate Services, in consultation with the City Solicitor, ensure that all future system development agreements are structured in such a way that payments for the software license acquisition component are made on an as needed or the most cost effective basis. Where possible, agreements be structured to take into account provisions for the return of licenses which may be surplus to requirements;
- (5) the Commissioner of Corporate Services, in consultation with the City Solicitor, ensure that, where possible, all future system development agreements are structured in such a way that software maintenance payments are based on the number of software licenses in use and not on the number of licenses acquired;
- (6) the Commissioner of Corporate Services, in consultation with the City Solicitor, review the possibility of recovering both software license costs and maintenance fees previously paid to SAP Canada Inc. in relation to the surplus software licenses not in use;
- (7) the Commissioner of Corporate Services assume responsibility for the management and control of all SAP licenses. In addition, a policy be developed to ensure that business cases supporting all software acquisitions clearly identify and justify the type of users planned. The Chief Financial Officer and Treasurer retain responsibility for controlling Corporate access to the SAP system for internal control and financial integration purposes;
- (8) the Chief Administrative Officer amend the City policies to ensure that business cases presented in support of major systems development and software acquisitions include the estimated costs to acquire and implement software upgrades over the average life of major software implementations;
- (9) the Commissioner of Corporate Services, in consultation with the Chief Financial Officer and Treasurer, continue to investigate and negotiate with SAP Canada Inc. and Oracle Corporation Canada Inc. the opportunities available for the recovery

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of excess license fees paid and for the reduction of the annual maintenance costs incurred related to the Oracle run time licenses;

- (10) the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, determine what steps are required to analyse and identify best practices and business process improvements that will maximize the efficiencies and savings potential of SAP. This analysis should include the quantification of the associated costs and benefits to be attained for each area of improvement identified;
- (11) the Chief Administrative Officer continue to require that all requests for new management information systems from City Departments, Agencies, Boards and Commissions be reviewed and approved or recommended by the Executive Director of Information and Technology. Such requests to include a detailed business case and justification analysis and include complete financial evaluations comparing SAP functionality with any other system being proposed. Unless there are compelling financial and operational reasons for selecting non-SAP systems, all new developments be restricted to SAP;
- (12) the Chief Administrative Officer, in consultation with other City Commissioners, ensure that the implementation of new information systems are not initiated until Privacy Assessment Impact evaluations are completed. The requirement for a Privacy Impact Assessment be mandatory in all business cases supporting systems development where personal information is involved and the costs relating thereto be an integral part of the project implementation costs;
- (13) the Commissioner of Corporate Services, in consultation with the Chief Financial Officer and Treasurer, review the costs and benefits of providing SAP document imaging within the confines of the current SAP functionality. This review be conducted in concert with the document management project currently underway under the direction of the Executive Director of Information and Technology; and
- (14) the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, be required to develop a long-term City-wide strategic plan relating to the future direction of the SAP information system. This long term strategic plan recognise the principles contained in the eCity vision. The major objectives of such a plan be to investigate ways to maximise the return on the City's investment in SAP. Such a plan to include the appropriate staffing of a centrally administered Competency Centre along with a process to address the need to:
 - work with departments to identify and prioritise the roll out of SAP modules available to City operating departments;
 - work with departments to coordinate the implementation and integration of major information systems;

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- work with departments to identify and prioritize management information needs;
- identify best practices to improve the level of SAP information systems functionality;
- enforce the corporate standards established for SAP information systems development, maintenance and use; and
- assist Agencies, Boards and Commissions in the roll out of SAP information systems.

The Audit Committee also had before it a presentation by the Auditor General.

On motion by Councillor Walker, discussions pertaining to Confidential Appendix 3 of the report, were held in camera, as the subject matter of the Appendix deals with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

The Audit Committee recommended that:

On motion by Councillor Walker:

- (1) the report (March 31, 2003) from the Auditor General be adopted;
- (2) the Auditor General conduct a review of the process relating to the selection of the SAP, and the circumstances relating to the engagement of the independent consultants retained by the Project Steering Committee, including whether the consultants were retained on a sole-source basis or whether an RFP/RFQ process was followed;

On motion by Councillor Balkissoon, with Councillor Jones in the Chair:

- (3) the Auditor General conduct a review of the outside consultants' contracts to examine the purpose for which they were retained and the outcomes, in particular with respect to the Business Plan, with a view to retrieving the business plan documents

On motion by Councillor Pitfield, the Audit Committee also requested the Chief Financial Officer and Treasurer to report to the Audit Committee on proper procedures to determine the total cost of SAP usage on an annual basis.

(Letter sent to: Chief Financial Officer and Treasurer; c: Auditor General - April 11, 2003)

(Report No. 1, Clause 9)

1.3 Audit Work Plan - 2003

The Audit Committee had before it a 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.

On motion by Councillor Jones, the Audit Committee received the 2003 work plan from the Auditor General for information.

(Letter sent to: Auditor General - April 11, 2003)

(Report No. 1, Clause 10(a))

1.4 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

The Audit Committee had before it a report (March 25, 2003) from the Auditor General, respecting 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, and recommending that this report be received for information.

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee deferred consideration of the report until its meeting to be held on July 16, 2003 and requested its Chair, the Auditor General and the Chief Administrative Officer to meet with the Chair of the Toronto Parking Authority to clarify the protocol for dealing with audit reports.

(Letter sent to Chair, Toronto Parking Authority, Chair, Audit Committee, Auditor General, and Chief Administrative Officer - April 11, 2003)

(Report No. 1, Clause 10(b))

1.5 National Association of Local Government Auditors – 2003 Annual Conference

The Audit Committee had before it a 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.

On motion by Councillor Jones, the Audit Committee:

- (1) received the report;
- (2) forwarded same to the Economic Development and Parks Committee for information; and
- (3) thanked Tony Veneziano, Jerry Shaubel, Carolyn Garramone and Diane La Chapelle from the Auditor General's Office for their efforts in this regard.

(Letter sent to: Economic Development and Parks Committee - April 11, 2003)

(Report No. 1, Clause 10(c))

1.6 Terms of Reference

The Audit Committee had before it a 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.

On motion by Councillor Jones, the Audit Committee received the report for information.

(Letter sent to: Auditor General - April 11, 2003)

(Report No. 1, Clause 10(d))

1.7 Request for Proposals – External Audit Services

The Audit Committee had before it a 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.

On motion by Councillor Jones, the Audit Committee received the report for information.

(Letter sent to: Auditor General - April 11, 2003)

(Report No. 1, Clause 10(e))

1.8 McCormick Playground Arena – Audit Management Letter

The Audit Committee had before it a report (March 24, 2003) from the Auditor General, respecting McCormick Playground Arena - Audit Management Letter.

John Hermann, Chair, Committee of Management, McCormick Playground Arena, appeared before the Audit Committee.

The Audit Committee:

On motion by Councillor Balkissoon, with Councillor Jones in the Chair:

- (1) received the management letter issued for the Committee of Management for the McCormick Playground Arena;
- (2) directed the Chief Administrative Officer 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;

On motion by Councillor Jones:

- (3) requested the Chief Administrative Officer to submit to the Audit Committee an inventory of City facilities managed or operated by outside groups;

On further motion by Councillor Balkissoon, with Councillor Jones in the Chair:

- (4) requested the Chief Administrative Officer to give consideration to a suggested mandatory training program for members appointed to Committees/Boards of Management;

On motion by Councillor Kelly:

- (5) directed that the original report from the City Auditor respecting the Management of ACOCs and Committees/Boards of Management of Arenas be forwarded to the ABC Ad Hoc Committee;

On further motion by Councillor Balkissoon, with Councillor Jones in the Chair:

- (6) referred the following motions to the ABC Ad Hoc Committee for its consideration:

By Councillor Balkissoon:

“That appropriate staff attend the meetings of Committees of Management of Arenas, as issues arise and at the request of the Councillor(s) who sit on the Committee”

By Councillor Ford:

“That a staff member attend all meetings of Committees of Management of Arenas.”

(Letter sent to: ABC AD Hoc Committee; c: Auditor General, Chief Administrative Officer, Chair, Committee of Management, McCormick Playground Arena - April 11, 2003)

(Report No. 1, Clause 10(f))

1.9 Audit Management Letter – Leaside Memorial Community Gardens

The Audit Committee had before it a report (March 25, 2003) from the Auditor General, respecting Audit Management Letter - Leaside Memorial Community Gardens.

Henry Stachelbeck, General Manager, Leaside Memorial Community Gardens, appeared before the Audit Committee.

On motion by Councillor Jones, the Audit Committee:

- (1) received the management letter issued for the Board of Management for the Leaside Memorial Community Gardens for information;
- (2) directed the Chief Administrative Officer 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) required the Chief Financial Officer and Treasurer 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.

(Letter sent to: Chief Financial Officer and Treasurer, Chief Administrative Officer; c: Auditor General, Chair, Board of Management, Leaside Memorial Community Gardens - April 14, 2003)

(Report No. 1, Clause 10(g))

1.10 Audit Management Letters Relating to Individual Boards of Management for Community Centres

The Audit Committee had before it a report (March 20, 2003) from the Auditor General, respecting Audit Management Letters Relating to Individual Boards of Management for Community Centres.

On motion by Councillor Jones, the Audit Committee:

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

(Letter sent to: Chief Administrative Officer; c: Auditor General; Chair, Committee of Management, Eastview Neighbourhood Community Centre; Chair, Board of Management, Ralph Thornton Community Centre - April 14, 2003)

(Report No. 1, Clause 10(h))

1.11 Audit Management Letters - Arenas

The Audit Committee had before it a report (March 20, 2003) from the Auditor General, respecting Audit Management Letters - Arenas.

On motion by Councillor Walker, the Audit Committee:

- (1) received the individual management letters issued for each of the Committees of Management for Arenas for information; and

- (2) directed the Chief Administrative Officer to ensure that the issues identified in the individual management letters are addressed and report back to the Audit Committee by July 31, 2003.

(Letter sent to: Chief Administrative Officer; c: Auditor General; Chair, Committee of Management, Moss Park Arena; Chair, Committee of Management, Ted Reeve Community Arena - April 14, 2003)

(Report No. 1, Clause 10(i))

1.12 Audit Management Letters Relating to Individual Business Improvement Areas

The Audit Committee had before it a report (March 24, 2003) from the Auditor General, respecting Audit Management Letters Relating to Individual Business Improvement Areas.

On motion by Councillor Jones, the Audit Committee:

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

(Letter sent to: Commissioner of Economic Development, Culture and Tourism; c: Auditor General; Chair, Corso Italia Business Improvement Area; Chair, Board of Management, Dovercourt Village Business Improvement Area; Chair, Board of Management, Mimico Village Business Improvement Area; Chair, Board of Management, St. Clair Gardens Business Improvement Area; Chair, Board of Management, York-Eglinton Business Improvement Area - April 14, 2003)

(Report No. 1, Clause 10(j))

1.13 Contract Compliance Review - Viacom Outdoor Canada

The Audit Committee had before it a report (March 19, 2003) from the Commissioner, Works and Emergency Services, respecting Contract Compliance Review - Viacom Outdoor Canada, and 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.

The Audit Committee also had before it Clause 2 of Audit Committee Report No. 9, titled, "Contract Compliance Review – Viacom Outdoor Canada Inc. (formerly Mediacom), which was amended and adopted by City Council at its meetings held on November 26, 27, 28 and 29, 2002

On motion by Councillor Jones, the Audit Committee recommended adoption of the report (March 19, 2003) from the Commissioner, Works and Emergency Services.

(Report No. 1, Clause 1)

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

The Audit Committee had before it a 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.

The Audit Committee also had before it 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.

On motion by Councillor Jones, the Audit Committee received the report (March 31, 2003) from the Chief Administrative Officer, for information.

(Letter sent to: Chief Administrative Officer; c: Auditor General - April 14, 2003)

(Report No. 1, Clause 10(k))

1.15 Semi-Annual Update: Response to the Review of the Investigation of Sexual Assaults – Toronto Police Service

The Audit Committee had before it a communication (December 18, 2002) from the Acting Chair, Toronto Police Services Board, respecting Semi-Annual Update: Response to the Review of the Investigation of Sexual Assaults – Toronto Police Service, and recommending that the Audit Committee receive this communication.

On motion by Councillor Jones, the Audit Committee received the communication.

(Letter sent to: Chair, Toronto Police Services Board; c: Auditor General; Chief of Police - April 14, 2003)

(Report No. 1, Clause 10(l))

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

The Audit Committee had before it a communication (December 3, 2002) from the Chairman, Toronto Police Services Board respecting Update on the 2001 Audit Projects involving the Toronto Police Service and 2002 Audit Work Plan, and recommending that the Audit Committee receive the communication for information

On motion by Councillor Jones, the Audit Committee received the communication for information.

(Letter sent to: Chairman, Toronto Police Services Board; c: Auditor General - April 14, 2003)

(Report No. 1, Clause 10(m))

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

The Audit Committee had before it a 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 receive this communication

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee recommended that City Council refer the communication (January 17, 2003) from the Chairman, Toronto Police Services Board back to the Toronto Police Services Board, with the request that the Toronto Police Services Board respond as to why bailiffs are not used as a last resort for the collection of outstanding receivable beyond 90 days.

(Report No. 1, Clause 2)

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

The Audit Committee had before it a report (February 27, 2003) from the Chief Administrative Officer respecting Status Report – Discussions with Ministry of Municipal Affairs and Housing regarding powers of the Auditor General, and recommending that this report be received for information.

On motion by Councillor Jones, the Audit Committee received the report for information.

(Letter sent to: Chief Administrative Officer; c: Auditor General - April 15, 2003)

(Report No. 1, Clause 10(n))

1.19 Update on Workplan to Address Issues Raised in 2000 Management Letter

The Audit Committee had before it a report (March 25, 2003) from Chief Financial Officer & Treasurer respecting Update on Workplan to Address Issues Raised in 2000 Management Letter, and recommending that this update report on workplan progress be received and forwarded to Council for information.

On motion by Councillor Jones, the Audit Committee recommended that City Council receive the report (March 25, 2003) from Chief Financial Officer and Treasurer.

(Report No. 1, Clause 3)

1.20 Audited Financial Statements of Arenas

The Audit Committee had before it a report (March 27, 2003) from the Chief Financial Officer and Treasurer respecting Audited Financial Statements of Arenas, and recommending that the financial statements appended to this report be received.

On motion by Councillor Jones, the Audit Committee recommended that City Council receive the Financial Statements of the following arenas, appended to the report (March 27, 2003) from the Chief Financial Officer and Treasurer:

2001 Financial Statements:

George Bell Arena
William H. Bolton Arena
Forest Hill Memorial Arena
Moss Park Arena
North Toronto Memorial Arena
Ted Reeve Arena

2000 and 2001 Financial Statements: Leaside Memorial Gardens

1998, 1999, 2000 and 2001 Financial Statements: McCormick Playground Arena

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee requested the Chief Financial Officer and Treasurer to report to the Audit Committee, at its meeting to be held on July 16, 2003, on the issues raised in the Management Letters appended to the 2001 Financial Statements.

(Letter sent to: Chief Financial Officer and Treasurer - May 13, 2003)

(Report No. 1, Clause 4)

1.21 2001 Financial Statements of Business Improvement Areas

The Audit Committee had before it a report (March 27, 2003) from the Chief Financial Officer respecting 2001 Financial Statements of Business Improvement Areas, and recommending that the financial statements appended to this report be received.

On motion by Councillor Walker, the Audit Committee recommended that the 2001 Financial Statements of the following Business Improvement Areas, appended to the report (March 27, 2003) from the Chief Financial Officer and Treasurer, be received:

Bloor By The Park	Kingsway
Bloor-Yorkville	Lakeshore Village
Bloorcourt Village	Little Italy
Bloordale Village	Mimico Village
Corso Italia	Old Cabbagetown
Danforth By The Valley	Queen Broadview Village
Dovercourt Village	Roncesvalles Village
Downtown Yonge Street	St. Clair Gardens
Eglinton Hill	St. Lawrence Neighbourhood
Gerrard India Bazaar	York-Eglinton

(Report No. 1, Clause 5)

1.22 2001 TEDCO Financial Statements

The Audit Committee had before it a report (March 19, 2003) from the Chief Financial Officer and Treasurer respecting 2001 TEDCO Financial Statements, and recommending that the 2001 financial statements for the City of Toronto Economic Development Corporation be received.

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee:

- (1) deferred consideration of the 2001 Financial Statements for the City of Toronto Economic Development Corporation, appended to the report (March 19, 2003) from the Chief Financial Officer and Treasurer until its meeting to be held on July 16, 2003;
- (2) requested the Chief Financial Officer and Treasurer to report to the Audit Committee at that time on:
 - (a) with respect to Cash and Short Term Investments, and Investments (Note 3 of the Balance Sheet):
 - (i) whether it is appropriate that these investments be made by the City of Toronto rather than TEDCO;
 - (ii) the reason for the high cash amount in the Short Term Investments; and
 - (b) the allowance of \$1,000,000.00 for doubtful loans.

(Letter sent to: Chair, Toronto Economic Development Corporation; c: Auditor General; Chief Financial Officer and Treasurer - April 15, 2003)

(Report No. 1, Clause 10(q))

1.23 2001 Audited Financial Statements of the Eastview and Ralph Thornton Community Centres

The Audit Committee had before it a report (March 18, 2003) from the Chief Financial Officer respecting 2001 Audited Financial Statements of the Eastview and Ralph Thornton Community Centres, and recommending that the financial statements appended to this report be received.

On motion by Councillor Jones, the Audit Committee recommended that the 2001 Financial Statements of the Eastview and Ralph Thornton Community Centres, appended to the report (March 18, 2003) from the Chief Financial Officer and Treasurer, be received.

(Report No. 1, Clause 6)

1.24 Corporate Accountability Framework – Final Status Update on Use of Consultants

The Audit Committee had before it a report (March 19, 2003) from the Chief Administrative Officer respecting Corporate Accountability Framework – Final Status Update on Use of Consultants, and 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.

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee recommended adoption of the report (March 19, 2003) from the Chief Administrative Officer.

(Report No. 1, Clause 7)

1.25 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

The Audit Committee had before it a communication (March 31, 2003) from the City Clerk, Planning and Transportation Committee respecting 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, and 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.

On motion by Councillor Balkissoon, with Councillor Jones in the Chair, the Audit Committee deferred the communication until its meeting to be held on July 16, 2003.

(Letter sent to: Planning and Transportation Committee; c: Auditor General - April 15, 2003)

(Report No. 1, Clause 10(o))

1.26 Harbour Remediation and Transfer Inc. Contract

On motion by Councillor Jones, the Audit Committee allowed the introduction of a communication (April 2, 2003) from Councillor Korwin-Kuczynski requesting that an audit of the Harbour Remediation and Transfer Inc. Contract be considered by the Auditor General's Office

On further motion by Councillor Jones, the Audit Committee referred the communication to the Auditor General.

(Letter sent to: Auditor General; c: Councillor Korwin-Kuczynski - April 15, 2003)

(Report No. 1, Clause 10(p))

The Committee adjourned at 6:05 p.m.

Chair

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Attendance:

April 9, 2003	9:30 a.m. – 12:30 p.m.	2:00 p.m. - 5:20 p.m.	(IC) 5:20 p.m. - 5:55 p.m.	5:55 p.m. - 6:05 p.m.
Balkissoon (Chair)	X	X	X	X
Jones (Vice-Chair)	X	X	X	X
Ford	X	X	X	X
Kelly	X	X		
Walker	X	X	X	X

* Members were present for some or all of the time indicated.

Note: Councillor Pitfield and Councillor Korwin-Kuczynski were also present during some or all portions of the meeting.