

THE CITY OF TORONTO

Clerk's Department

Minutes of the Audit Committee

Meeting No. 2

Friday, June 13, 2003

The Audit Committee met on Friday, June 13, 2003 in Committee Room 2, 2nd Floor, City Hall, commencing at 9:30 a.m.

On motion by Councillor Walker, the Minutes of the Meeting held on April 9, 2003 were confirmed.

2.1 Consolidated Financial Statements for the Year Ended December 31, 2002

The Audit Committee had before it a report (June 5, 2003) from the Chief Financial Officer and Treasurer, respecting Consolidated Financial Statements for the Year Ended December 31, 2003 and recommending that the attached 2002 Consolidated Financial Statements be approved.

On motion by Councillor Balkissoon, with Councillor Walker in the Chair, the Audit Committee deferred consideration of the 2002 City of Toronto Consolidated Financial Statements, attached to the report (June 5, 2003) from the Chief Financial Officer and Treasurer, until its meeting to be held on July 16, 2003.

(Report No. 5, Clause 5(a))

2.2 Audit Results – Year ended December 31, 2002

The Audit Committee had before it a communication (May 9, 2003) from Martha Tory and Diana Brouwer, Ernst & Young, forwarding the Audit Results of the City of Toronto for the year ended December 31, 2003.

On motion by Councillor Walker, the Audit Committee deferred consideration of the report (May 9, 2003) from Ernst & Young, Chartered Accountants, entitled, “City of Toronto - Audit Results – Year Ended December 31, 2002 – Report to the Audit Committee of the City of Toronto” until its meeting to be held on July 16, 2003.

(Report No. 2, Clause 5(b))

2.3 2002 Consolidated Financial Statements for Exhibition Place

The Audit Committee had before it a report (May 8, 2003) from General Manager and CEO, Exhibition Place, respecting 2002 Consolidated Financial Statements for Exhibition Place.

On motion by Councillor Walker, the Audit Committee recommended that:

- (1) City Council receive for information the Audited Financial Statements pertaining to the operations of Exhibition Place for the year ended December 31, 2002; and
- (2) the appropriate Exhibition Place and City Officials be authorized and directed to take the necessary action to give effect thereto.

On further motion by Councillor Walker, 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 Toronto Roadrunners' Hockey Club's arrangements with Exhibition Place with respect to parking, and the impact of the arrangements on parking revenues in future years.

(Letter sent to: Chief Financial Officer and Treasurer; c: Auditor General; General Manager and CEO, Exhibition Place - June 16, 2003)

(Report No. 2, Clause 1)

2.4 Auditor's Report and Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 2002

The Audit Committee had before it a report (March 24, 2003) from the Committee Secretary, Toronto Atmospheric Fund, respecting the Auditor's Report (February 14, 2003) and Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 2002.

On motion by Councillor Walker, the Audit Committee recommended that City Council receive the Auditor's Report (February 14, 2003) and the Financial Statements of the Toronto Atmospheric Fund for the year ended December 31, 2002.

(Report No. 2, Clause 2)

2.5 2001 Financial Statements of Business Improvement Areas

The Audit Committee had before it a report (June 4, 2003) from Chief Financial Officer and Treasurer, respecting 2001 Financial Statements of Business Improvement Areas.

On motion by Councillor Walker, the Audit Committee recommended that City Council receive the 2001 Financial Statements for the following Business Improvement Areas operated by Boards of Management:

Bloor Annex	Junction Gardens
Bloor West Village	Long Branch
Eglinton Way	Pape Village (2000 and 2001)
Forest Hill Village	St. Clair Avenue West
Harbord Street	Village of Islington
Hillcrest Village	Yonge-Lawrence Village

(Report No. 2, Clause 3)

2.6 Request for Proposal 9155-03-7140 – External Audit Services – Results

The Audit Committee had before it a report (May 29, 2003) from the Audit General, respecting Request for Proposal 9155-03-7140 - External Audit Services - Results, and recommending:

- (1) the firm of Ernst & Young LLP, the proponent with the highest overall evaluated score and the lowest cost, be retained for the provision of external audit services for the City and its Agencies, Boards and Commissions, as listed in Appendix A, (subject to approval by the Board for those entities marked with an asterisk), for the years 2003 to 2007 inclusive at a total cost of \$3,764,000 including expenses and applicable taxes, subject to the execution of an agreement satisfactory to the appropriate City officials; and
- (2) the appropriate City officials be authorized to take the necessary action to give effect thereto.

On motion by Councillor Walker, the Committee adjourned its public session to meet in camera to consider Appendix B of the report (May 29, 2003) from the Auditor General, as the subject matter of the Appendix dealt with the security of the property of the municipality or local board.

On motion by Councillor Walker, the Audit Committee recommended that:

- (1) the report (March 31, 2003) from the Auditor General be adopted; and
- (2) discussions pertaining to Confidential Appendix B of the report, submitted to Council under separate cover, be held in camera, as the subject matter of the Appendix deals with the security of the property of the municipality or local board.

On further motion by Councillor Walker, the Audit Committee requested the Auditor General to report to the Audit Committee within a year on a policy of rotating the City's external auditors on a pre-determined cycle.

(Letter sent to Auditor General - June 16, 2003)

(Report No. 2, Clause 4)

2.7 Protocol – Response to Audit Reports - Toronto Parking Authority

The Audit Committee had before it a communication (May 20, 2003) from the Chair, Toronto Parking Authority respecting Protocol – Response to Audit Reports.

The Audit Committee also had before it the following reports:

- (March 25, 2003) from the Auditor General submitting comments relating to the Toronto Parking Authority's Management Response to the Audit Report titled, "An Assessment of the Adequacy and Effectiveness of Financial and Administrative Controls", and recommending that this report be received for information
- (September 16, 2002) from the City Auditor, titled, "Toronto Parking Authority - An Assessment of the Adequacy and Effectiveness of Financial and Administrative Controls"

The Audit Committee:

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

- (1) deferred the report/communication until its meeting to be held on July 16, 2003; and requested the President of the Toronto Parking Authority to report further at that time; and

On motion by Councillor Ford:

- (2) requested the President of the Toronto Parking Authority to report to the Audit Committee, at its meeting to be held on July 16, 2003 on the use and dollar value in 2002 of the complimentary parking passes:
 - (a) from 8:00 a.m. to 5:00 p.m., Monday to Friday; and
 - (b) from 5:00 p.m. to 8:00 a.m., Monday to Friday, and weekends.

(Letter sent to President, Toronto Parking Authority; c: Auditor General - June 16, 2003)

(Report No. 2, Clause 5(c))

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The Committee adjourned at 11:10 a.m.

Chair

Attendance:

June 13, 2003	9:30 a.m. – 10:20 p.m.	In Camera 10:20 a.m. - 10:30 a.m.	10:30 a.m. - 11:00 a.m.	11:05 a.m. - 11:10 a.m.
Balkissoon (Chair)	X	X	X	X
Jones (Vice-Chair)				
Ford				
Kelly	X	X	X	X
Walker	X	X	X	X

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