
**AUDIT COMMITTEE
AGENDA
MEETING 3**

Date of Meeting: July 12, 2005
Time: 9:30 a.m.
Location: Committee Room 2
City Hall
100 Queen Street West
Toronto, Ontario

Enquiry: Christine Archibald
Administrator
416-392-7033
teycc@toronto.ca

Under the *Municipal Act, 2001*, the Audit Committee must adopt a motion to meet In-camera (privately) and the reason must be given.

Declarations of Interest under the *Municipal Conflict of Interest Act*

Communications/Reports:

1. Appointment of Members of Council to the Audit Committee

Communication (May 25, 2005) from the City Clerk respecting Clause 1 of Report 2 of the Striking Committee adopted by City Council on May 17, 18 and 19, 2005, and
Clause 9 of Report 6 of the Policy and Finance Committee adopted by Council on June 14, 15 and 16, 2005, in which Council:

- (1) on May 17, 18 and 19, 2005, appointed the following Members of Council to the Audit Committee starting immediately after the end of the June 14, 15 and 16, 2005 Council Meeting and ending November 30, 2006:

B. Ashton
B. Balkissoon
M. Del Grande
P. Fletcher
D Holyday;
J. Pitfield, starting once the by-law to increase the composition is effective; and

- (2) on June 14, 15 and 16, 2005, increased the composition of the Audit Committee to six members.

2. Enterprise Case and Occurrence Processing System (eCOPS) Project

Report (July 4, 2005) from the Auditor General responding to the request from the Toronto Police Services Board that the Auditor General conduct a review of an internally developed project called Enterprise Case and Occurrence Processing System (eCOPS)

Recommendation:

It is recommended that this report be received for information.

3. Fleet Operations Review – Phase 2

Report (April 11, 2005) from the Auditor General

Recommendations:

It is recommended that:

- (1) the recommendations in the attached Auditor General's report entitled "Fleet Operations Review – Phase Two" be adopted; and
- (2) the Deputy City Manager and Chief Financial Officer be requested to report to the Audit Committee by October 2005 on the implementation of the recommendations in the Auditor General's report entitled "Fleet Operations Review – Phase Two".

3(a). Report (June 23, 2005) from the Chief Corporate Officer providing a Management Response to the Auditor General's Review of Fleet Operations – Phase Two

Recommendations:

It is recommended that:

- (1) staff give priority to those recommendations provided in the Auditor General's report that have sufficient basis for action;
- (1) the Fleet Services Steering Committee be used to co-ordinate inter-divisional action as required;
- (2) the fuel site review currently being led by Fleet Services be co-ordinated with the Yards Rationalization Study, and

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

4. Auditor General's Proposed Participation in the International Program for Improved Governance and Accountability in South Africa

Report (May 12) from the Auditor General

Recommendations:

It is recommended that the participation of the Auditor General's Office in the International Assistance Program for Improved Governance and Accountability in South Africa be approved.

5. Auditor General's External Peer Review – 2006

Report (May 29) from the Auditor General

It is recommended that the Audit Committee receive the report and forward to City Council for information.

6. Outstanding Audit Recommendations Follow-up Process

Report (May 28, 2005) from the Auditor General

Recommendation:

It is recommended that the Audit Committee receive the report and forward to City Council for information.

7. Status of Outstanding Financial Audits of Various Financial Statements – for the Year Ended December 31, 2004

Report (June 28, 2005) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

8. Community Centres and Arenas – 2004 Audited Financial Statements and Summary Management Letter

Report (June 28, 2005) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

Note: Financial Statements of the following community centres and arenas are distributed to Members only:

**Applegrove Community Complex
Cecil Street Community Centre
Central Eglinton Community Centre
Eastview Neighbourhood Community Centre
Harbourfront Community Centre
Community Centre 55
Ralph Thornton Community Centre
Scadding Court Community Centre
519 Church Street Community Centre
Swansea Town Hall Community Centre
Leaside Memorial Community Gardens
McCormick Playground Arena
William H. Bolton Arena**

9. Terms of Reference – Audit Projects

Report (June 29, 2005) from the Auditor General

Recommendation:

It is recommended that this report be received for information.

10. City Of Toronto Audit Results – Year Ended December 31, 2004

Submission (April 29, 2005) from Martha Tory, Diana Brouwer and Kathi Lavoie, Ernst & Young presenting the results of the audit of the financial statements of the City of Toronto

11. 2004 Sinking Fund Financial Statements

Report (June 28, 2005) from the Deputy City Manager and Chief Financial Officer.

Recommendation:

It is recommended that the 2004 financial statements for the City's sinking funds be received.

12. 2004 Audited Consolidated Financial Statements

Report (June 28, 2005) from the Deputy City Manager and Chief Financial Officer presenting the City of Toronto's Consolidated Financial Statements.

Recommendations:

It is recommended that the 2004 Consolidated Financial Statements be approved.

13. 2004 Audited Consolidated Trust Fund Financial Statements

Report (June 27, 2005) from the Treasurer

Recommendations:

It is recommended that the audit consolidated financial statements of the City's trust funds for the year ended December 31, 2004 be received.

14. 2004 Financial Statements of Business Improvement Areas

Report (June 27, 2005) from the Treasurer presenting the 2004 financial statements of certain Business Improvement Areas operated by Boards of Management and related audit management letters.

Recommendation

It is recommended that the 2004 financial statements and related management letters appended to this report for Business Improvement Areas operated by Boards of Management be received.

Note: Financial Statements of the following Business Improvement Areas are distributed to Members only:

**Bloor by the Park
Bloorcourt Village
Bloordale Village
Corso Italia
The Danforth
Dovercourt Village
Eglinton Hill
Eglinton Way**

**Lakeshore Village
Liberty Village
Little Italy
Mimico by the Lake
Mimico Village
Old Cabbagetown
Riverside
Roncesvalles Village**

Forest Hill Village
Gerrard India Bazaar
Harbord Street
Junction Gardens
Kennedy Road
Kingsway
Bloor-Yorkville
Parkdale Village

St. Clair Gardens
Upper Village (York)
Wexford Heights
Wychwood Heights
Yonge–Lawrence Village
Bloor West Village (2003 and 2004)*
St. Lawrence Market

15. Financial Statements and Audit Results for the Year Ended December 31, 2004 from the following Agencies, Boards and Commissions:

15(a). Exhibition Place

Reports (June 7, 2005) from Dianne Young, General Manager and CEO, Exhibition Place submitting the Audit Results and Audited Financial Statements

Recommendations:

It is recommended that:

- (1) City Council receive for information the Audit Results for the Consolidated Financial Statements for Exhibition Place for the Year Ended December 31, 2004 from the Auditors, Ernst & Young LLP; and
- (2) City Council receive for information the Audited Financial Statements pertaining to the operations of Exhibition Place for the year ended December 31, 2004; and
- (3) the appropriate Exhibition Place and City Officials be authorized and directed to take the necessary action to give effect thereto.

15(b). Toronto Transit Commission

Communications (May 12, 2005) from the General Secretary, Toronto Transit Commission forwarding a copy of the approved consolidated financial statements to the Audit Committee of the City of Toronto for the year ended December 31, 2004, and a copy of the management letter from the auditors, to the Audit Committee of the City of Toronto, for information.

15(c). TTC Insurance Company Limited – Financial Statements

15(d). Toronto Coach Terminal Inc – Financial Statements

Communication (June 24, 2005) from the General Secretary, TTC forwarding to City Council, through the City Audit Committee, the 2004 Financial Statements of the Toronto Coach Terminal Inc.

15(e). The Hummingbird Centre for the Performing Arts – Financial Statements and Audit Results

15(f). Toronto Public Library Board and Trust Funds of the Toronto Public Library Board

Report (May 16, 2005) from the City Librarian

Recommendation:

It is recommended that the audited financial statements, audit results and management responses for the year ended December 31, 2004 for the Toronto Public Library Board and for the Trust Funds of the Toronto

15(g). Toronto Zoo –Financial Statements and Audit Results and Management Response

Communications (May 26, 2005) from the Secretary, Board of Management, Toronto Zoo forwarding the draft 2004 Financial Statements and the 2004 Audit Results

15(h). Yonge-Dundas Square –Audited Financial Statements

Communication (June 7, 2005) from Ron Soskolne, Chair, Yonge-Dundas Square Board of Management forwarded the 2004 Audited Financial Statements for Yonge-Dundas Square prepared by Grant Thornton LLP and advising that no management letter has been issued.

15(i). Heritage Toronto – Financial Statements and Management Letter

Communication (June 30, 2005) from the Executive Director, Heritage Toronto presenting the agency's Financial Statement and Management Letter.

Note: Copies of these reports are distributed to Members of the Committee and appropriate staff only

16. External Audit of the Auditor General's Office

Report (June 27, 2005) from Hilborn Ellis Grant,LLP, Chartered Accountants reporting on the results of applying specified auditing procedures to financial information other than financial statements for the years ended December 31, 2003 and December 31, 2004.

16(a). Report (June 28, 2005) from the City Manager

Recommendations:

It is recommended that this report be received for information.

17. Audit General's Payroll Processing Review – Status Report

Report (June 28, 2005) from the City Manager and the Deputy City Manager and Chief Financial Officer providing status on the actions taken to address the recommendations in the Auditor General's report to the Audit Committee – “Payroll Processing Review – Phase 1”

Recommendation:

That this report be received for information.

17(a). City Librarian (June 13, 2004) providing the Toronto Public Library Board's Summary of FindingsRecommendations:

It is recommended that the “Toronto Public Library – Payroll Processing Review – Report to Audit Committee – Summary of Findings” report be received for information.

17(b). Director, Finance and Personnel, The Hummingbird Centre (May 4, 2005) replying to the recommendations of the Audit Committee Report 6, Clause 5.**17(c).** Report (June 30, 2005) from the City Clerk advising the Audit Committee on the responses by ABCs to City Council's request regarding the Payroll Processing ReviewRecommendation:

That this report be received for information.

17(d). Clause 5 Report 6 of the Audit Committee, headed “Payroll Processing Review (Phase One)”, adopted by City Council at its meeting on November 30, December 1 and 2, 2004

Note: This Council Clause is distributed to Members of the Committee only

18. Progress in Implementing the Strategic Directions and Actions Contained in the City of Toronto Immigration and Settlement Policy Framework

Report (April 6, 2005) from the Commissioner of Community and Neighbourhood Services outlining the actions and results for City departments and divisions that support the 21 strategic actions contained in the City of Toronto Immigration and Settlement Policy Framework.

Recommendations:

It is recommended that this report be received.

19. Procurement Process Review Implementation – June 2005 Status Report

Report (June 24, 2005) from the Treasurer

Recommendation:

It is recommended that this report be received for information.

- 19(a).** Clause 8 of Report 1 of the Audit Committee, headed “Procurement Processes Review – City of Toronto”, adopted by Council on April 14, 15 and 16, 2003.

Note: This Council report is distributed to Members of the Committee only

20. Update on Response to Auditor General’s Recommendations regarding Hostel Services

Report (June 28, 2005) from the General Manager, Support and Housing Administration providing an update on the activities underway to respond to recommendations in the Auditor General’s Review of Hostel Services

Recommendations:

It is recommended that this report be received for information.

- 20(a).** Clause 6d of Report 6 of the Audit Committee, headed “Hostel Operations Review – Community and Neighbourhood Services, adopted by City Council at its meeting on April 12, 13 and 14, 2005

Note: This Council report is distributed to Members of the Committee only

21. Toronto EMS Operational Support Review – Response to Auditor General Recommendations

Report (June 21, 2005) from the General Manager / Chief, Toronto Emergency Medical Services

It is recommended that:

- (1) Toronto EMS implement the recommendations in Appendix “A”, which include five new positions with a gross expenditure of approximately \$0.253 million, in the 2006 EMS Operating Budget Submission as a new and enhanced budget request; and
- (2) The appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.

21(a). Report (June 21, 2005) from the City Manager responding to a request from the Audit Committee on the issues identified by the Auditor General in his Toronto Emergency Medical Services Operational Support Review.

Recommendations:

It is recommended that this report be received for information.

21(b). Report (June 8, 2005) from the General Manager / Chief, Toronto Emergency Medical Services on the practice and necessity of labelling certain Toronto EMS uniforms with specific job titles.

Recommendations:

It is recommended that this report be received for information.

21(c). Report (June 22, 2005) from the Treasurer responding to the Audit Committee’s request to review the City’s procedures with respect to Goods and Services Tax (GST) and Provincial Sales Tax (PST) rebates and recoveries.

Recommendation:

It is recommended that this report be received for information.

21(d). Clause 1b of Report 1 of the Audit Committee, headed “Toronto Emergency Medical Services Operational Support Review - Works and Emergency Services Department” adopted by City Council on April 12, 13 and 14, 2005

Note: This Council Clause is distributed to members of the Audit Committee only

22. Auditor General’s Telecommunications Services Review – Long Distance Charges

Report (June 28, 2005) from the City Manager responding to a request from the Audit Committee on problems relating to the City’s previous telecommunications services contracts.

Recommendations:

It is recommended that this report be received for information.

23. Performance Indicators for the Purchasing and Materials Management Division – Quarterly Report

Report (June 24, 2005) from the Treasurer

Recommendations:

It is recommended that:

- (1) this report be received for information; and
- (2) future reports on Performance Indicators for the Purchasing and Materials Management division be forwarded only to the Administration Committee.

24. Accounts Receivables – Parks, Forestry and Recreation – Update Report

Report (June 27, 2005) from General Manager, Parks, Forestry and Recreation and Acting Director, Administration and Support Services

Recommendation

It is recommended that this report be received for information

Recommendation:

It is recommended that this report be received for information.

25. Potential Claim Against Beacon Software Systems, LLC and Remarkable Software, Inc.

(In-Camera: litigation or potential litigation)

Deferred from the April 5, 2005 meeting

Confidential report (March 23, 2005 from the City Solicitor) and because the report relates to litigation or potential litigation, under the *Municipal Act, 2001* discussions be held in-camera.)

25(a). Report from the City Solicitor requested by the Audit Committee

Note: Report not yet received

26. Toronto Police Services Board – Authority to Write-off Accounts Receivable

Report (March 29, 2005) from the Chair, Toronto Police Services Board responding to a recommendations from the Audit Committee that the Toronto Police Services Board amend its policy on the Authority for Write-Offs as Uncollectible Outstanding Accounts, in order to bring its policy into conformity with the City's policy.

Recommendation:

It is recommended that the Audit Committee receive this report.