



# TORONTO STAFF REPORT

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February 5, 2007

To: Board of Directors of the Toronto Atmospheric Fund  
From: Auditor General  
Subject: Results of Follow-up of Previous Audit Recommendations

Purpose:

This report is to provide the Board of Directors of the Toronto Atmospheric Fund with the results of the follow-up of audit recommendations previously made by the City's Auditor General.

Financial Implications and Impact Statement:

There is no financial impact resulting from the receipt of this report.

Recommendations:

It is recommended that this report be received for information.

Background:

The Auditor General's Office has implemented a formalized follow-up process to ensure that management has taken appropriate action to implement recommendations contained in audit reports. In accordance with the Auditor General's Work Plan, we have reviewed the status of audit recommendations previously made by the Auditor General's Office to the Toronto Atmospheric Fund. This review was conducted in accordance with generally accepted government auditing standards and was designed to provide reasonable assurance that management has adequately implemented audit recommendations.

A report will be tabled at the June 15, 2007 meeting of the Audit Committee on the status of all audit recommendations relating to the City's Agencies, Boards and Commissions issued by the Auditor General's Office between January 1, 1999 and December 31, 2005.

The results of the follow-up of previous audit recommendations for the Toronto Atmospheric Fund will be included in this report. Similar reporting for the City itself was done in June of 2006 and in the future, follow-up on the status of all outstanding audit recommendations for the City and its Agencies, Boards and Commissions will be conducted and reported annually.

Comments:

The results of our follow-up of previous audit recommendations concluded that all five outstanding recommendations relating to the Toronto Atmospheric Fund were fully implemented. The outstanding audit recommendations relate to two audit reports issued to the Toronto Atmospheric by the Auditor General's Office (formally City Auditor), one dated November 9, 2001 with four recommendations and one recommendation from September 3, 1999.

The follow-up audit process required that the Toronto Atmospheric Fund staff provide the Auditor General with a written response on the status of each one of the recommendations. Specific audit work was conducted by staff of the Auditor General's Office in order to ensure that management's assertions were accurate. A listing of the five recommendations implemented by the Toronto Atmospheric Fund is included in Appendix 1.

Conclusions:

The follow-up review found that staff of Toronto Atmospheric Fund have fully implemented all the audit recommendations made by the City of Toronto Auditor General's Office between January 1, 1999 and December 31, 2005.

Contact:

Jeff Griffiths, Auditor General  
Tel: (416) 392-8461  
Fax: (416) 392-3754  
E-Mail: [Jeff.Griffiths@toronto.ca](mailto:Jeff.Griffiths@toronto.ca)



Jeffrey Griffiths  
Auditor General  
lgd

List of Attachments:

Appendix 1: Recommendations – Fully Implemented

## Public Recommendations – Fully Implemented

**Board:** Toronto Atmospheric Fund

**Report Title:** Toronto Atmospheric Fund

**Report Date:** November 9, 2001

### Recommendation

- (1) the Executive Director, Toronto Atmospheric Fund develop an annual business plan that includes strategic and operational objectives and performance indicators to measure the value and effectiveness of individual grants/loans and the program as a whole;
- (2) the Executive Director, Toronto Atmospheric Fund implement a more rigorous grants monitoring process, which includes:
  - (a) a regular review of progress to ensure project milestones and objectives are being achieved;
  - (b) a grant payment schedule that is based on achievement of project milestones;
  - (c) a review of project financial information and the organization's audited financial statements prior to approving grant requests; and
  - (d) consistent application of monitoring procedures;
- (3) the Executive Director, Toronto Atmospheric Fund and the Grants and Loans Committee ensure that all grant proposals submitted for approval to the Toronto Atmospheric Fund Board include objectives that are clear, realistic, achievable and measurable. For multi-year projects, program objectives should be established on an annual basis;
- (4) the Executive Director, Toronto Atmospheric Fund assess and document and report to the Toronto Atmospheric Fund Board, accordingly, the impact of any reductions to grant requests on the organization's ability to complete the project as proposed;

**Report Title:** Toronto Atmospheric Fund

**Report Date:** September 3, 1999

### Recommendation

- (7) the Toronto Atmospheric Fund submit to City Council for approval, any loans, guarantees or security on loans, or lines of credit in excess of \$500,000, following a review by City Finance;