



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Review of the Management and Funding for Inactive Landfill Sites

Date:	February 3, 2011
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

This report contains four recommendations pertaining to the Auditor General's review of the management and funding for inactive landfill sites.

Implementing the recommendations in this report will improve managements control over inactive landfill sites.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Deputy City Manager responsible for Solid Waste Management, in consultation with the Deputy City Manager and Chief Financial Officer, review the current and ongoing status of the Perpetual Care Reserve Fund with an emphasis on maintaining its long-term viability to fund at least ongoing operating costs. Any action to increase the level of revenue to the fund be reported to City Council along with details of the unfunded liability.
2. The Executive Director of Technical Services Division ensure that the City receives all the royalty revenues to which it is entitled. In this context management should:
 - a. obtain and retain consistent documentation supporting royalty payments;
 - b. document evidence of appropriate verification and review of royalty payments; and

- c. exercise contract right by periodic request of financial statements or conducting audits to verify the accuracy of royalty payments.
3. The Executive Director of Technical Services Division formalize procedures to ensure accurate and complete performance and tracking of annual site inspections including sites to be inspected, date completed, actions taken and evidence of supervisory review.
4. The Executive Director Technical Services Division ensure that documentation is maintained for all recommendations made by external consultants. Supporting documentation should include action taken on all recommendations.

Financial Impact

The extent of any resources required or potential cost savings resulting from implementing the recommendations in this report is not determinable at this time.

DECISION HISTORY

In view of the estimated present value of maintaining inactive landfill sites which is in the range of \$121 million, a review of inactive landfill operations was included in the Auditor General's 2010 Audit Work Plan.

COMMENTS

The Auditor General's report entitled "Review of the Management and Funding for Inactive Landfill Sites" is attached as Appendix 1. Management's response to each of the recommendations contained in this report is attached as Appendix 2.

CONTACT

Jerry Shaubel, Director, Auditor General's Office
Tel: 416- 392-8462, Fax: 416- 392-3754, e-mail: jshaubel@toronto.ca

Melissa Clapperton, Audit Manager, Auditor General's Office
Tel: 416-392-0059, Fax: 416-392-3754, E-mail: mclappe@toronto.ca

SIGNATURE

Jeff Griffiths, Auditor General

10-SWM-01

ATTACHMENTS

Appendix 1: Review of the Management and Funding for Inactive Landfill Sites

Appendix 2: Management's Response to the Auditor General's Review of the Management and Funding for Inactive Landfill Sites