



AUDITOR GENERAL'S REPORT ACTION REQUIRED

City Planning Division – Community Benefits Secured Under Section 37 or 45 of The Planning Act

Date:	March 31, 2011
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's 2010 Work Plan included a review of development funds including community benefits negotiated under Sections 37 and 45 of the Planning Act. The objective of this review was to assess administrative procedures for monitoring benefits secured under Sections 37 and 45 of the Planning Act.

This report contains seven recommendations along with a management response to each of the recommendations. The implementation of these recommendations will improve the administrative controls which ensure all community benefits secured under Sections 37 and 45 of the Planning Act are received.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Chief Planner assess the status of community benefits secured since amalgamation (January 1, 1998) under Sections 37 and 45 of the Planning Act to provide an appropriate level of assurance that all cash and significant non-cash benefits that should have been received, have been received and report any uncollectible benefits to Council.
2. The Chief Planner develop and implement a monitoring process to ensure receipt of all non-cash community benefits secured under Sections 37 and 45 of the Planning Act.

3. The Chief Planner ensure all community benefits secured through Section 37 of the Planning Act are included in the re-zoning by-law.
4. The Chief Planner conduct an annual review of balances in the Sections 37 and 45 reserve funds to ensure divisions are advised of any funds secured and received.
5. The Deputy City Manager and Chief Financial Officer in consultation with the Chief Planner develop monitoring controls to enable effective administration of any letters of credit secured in relation to Sections 37 and 45 of the Planning Act.
6. The Deputy City Manager and Chief Financial Officer in consultation with the Chief Planner consider providing appropriate Planning Division staff with read only access to the letter of credit database.
7. The Chief Planner ensure that consideration is given to applying an appropriate inflationary index to the funds secured under Sections 37 and 45 of the Planning Act which are payable at a future date.

Financial Impact

The implementation of recommendations in this report will improve controls which ensure the receipt of both cash and non-cash benefits secured under Sections 37 and 45 of the Planning Act. The extent of any financial impacts as a result of implementing the recommendations in the report is not determinable at this time.

COMMENTS

This report provides the results of the Auditor General's review of community benefits negotiated in return for an approval to build under Section 37 or Section 45 of the Planning Act.

The Auditor General's report entitled "Community Benefits Secured Under Section 37 or 45 of The Planning Act" is attached as Appendix 1. Management's response to each of the recommendations contained in the report is attached in Appendix 2.

CONTACT

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SIGNATURE

Jeff Griffiths, Auditor General

09-CPD-01

ATTACHMENTS

Appendix 1: City Planning Division – Community Benefits Secured Under Section 37 or 45 of the Planning Act

Appendix 2: Management's Response to the Auditor General's Review of City Planning Division – Community Benefits Secured Under Section 37 or 45 of the Planning Act