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November 2, 2011

TO: Mayor Rob Ford

FROM: Joseph P. Pennachetti, City Manager

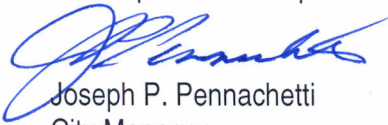
SUBJECT: External Compliance Auditor's Reports for the Integrity Commissioner, Lobbyist Registrar and Ombudsman

Please find enclosed the external compliance auditor's reports for the Integrity Commissioner, Lobbyist Registrar and Ombudsman for transmittal to City Council together with a draft transmittal memo.

Chapter 3 of the Toronto Municipal Code, concerning the Accountability Officers, requires that the City's Accountability Officers undergo an annual audit by an external auditor, and that the results be reported to Council. As directed by City Council in Decision CC8.3, appointment of an external Auditor for the annual compliance audit of the Accountability Officers, the City Manager facilitated the request for proposal process and retained Hilborn Ellis Grant LLP to undertake this work.

City Council procedures do not provide for a communication from an external entity/person such as the external auditor, Hilborn Ellis Grant LLP, to be transmitted directly to Council. In order to uphold the Officers' independence, reinforce their separation from the administration, and maintain their direct reporting relationship to City Council, I would recommend that you submit the audit reports to City Council in your capacity as the head of Council and CEO of the City. If you concur, your office should please submit the attached transmittal memo and audit letters to the City Clerk's Office by 4:00 pm on Tuesday, November 22 so that the item can be included as new business on the agenda for the November 29-30 Council session.

Please also note that at the Council session on November 29-30, Blair MacKenzie from Hilborn Ellis Grant LLP can be present to respond to questions about the audit process. I also will be available to answer questions.



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Attachments:

1. Integrity Commissioner's Office of the City of Toronto – Report on the Results of Applying Specified Auditing Procedures to Financial Information Other Than Financial Statements for the Year Ended December 31, 2010
2. Lobbyist Registrar's Office of the City of Toronto – Report on the Results of Applying Specified Auditing Procedures to Financial Information Other Than Financial Statements for the Year Ended December 31, 2010
3. Ombudsman's Office of the City of Toronto - Report on the Results of Applying Specified Auditing Procedures to Financial Information Other Than Financial Statements for the Year Ended December 31, 2010