



**AUDITOR GENERAL'S
REPORT
INFORMATION ONLY**

**Process to Obtain External Audit Services – 2013 to
2017 Inclusive**

Date:	June 15, 2012
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to advise the Audit Committee on the process being undertaken to obtain external audit services for the entities (arenas, community centres and miscellaneous entities) listed in Attachment 1 for the years 2013 to 2017 inclusive.

Financial Impact

The total annual audit fees for the three categories of entities for the years 2008 to 2012 inclusive are shown in the table below.

Arenas	Community Centres	Miscellaneous Entities	Total
\$ 219,450	\$ 307,895	\$ 118,750	\$ 646,095

These fees will likely change with the issue of a new contract.

DECISION HISTORY

In a report dated April 4, 2008, the Auditor General and the Director, Purchasing and Materials Management recommended that authority be granted to enter into an agreement in the amount of \$646,095 net of GST to Grant Thornton LLP having submitted the highest scoring proposal meeting the requirements of the RFP. This fee was for external audit services for City arenas, community centres and miscellaneous entities for the years 2008 to 2012 inclusive.

<http://www.toronto.ca/legdocs/mmis/2008/au/bgrd/backgroundfile-12051.pdf>

The five-year contract for external audit services expires with the completion of the audits of the 2012 financial statements.

ISSUE BACKGROUND

Under Section 139 of the City of Toronto Act, 2006, the City is required to appoint an auditor licensed under the Public Accounting Act 2004, who is responsible for annually auditing the accounts and transactions of the City and its local boards and expressing an opinion on the financial statements of these bodies based on the audit. The Act provides that the City's auditor shall not be appointed for a term exceeding five years. In addition, the Act requires that the auditor shall not be a City employee or an employee of a local board of the City. In creating the Auditor General's Office, City Council assigned the Auditor General the responsibility for managing the external audit contracts.

COMMENTS

It is the intent of the Auditor General's Office, to issue a Request for Proposal to select one (1) or up to three (3) auditors licensed under the Public Accounting Act, 2004 to perform the financial statement audits for the City arenas, community centres, and miscellaneous entities identified in Attachment 1 for the years 2013 to 2017 inclusive. The results of the Request for Proposal are expected to be reported to the October 2012 meeting of Audit Committee.

CONTACT

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

Ina Chan, Senior Audit Manager, Auditor General's Office
Tel: 416-392-8472, Fax: 416-392-3754, E-mail: ichan3@toronto.ca

SIGNATURE

Jeff Griffiths, Auditor General

12-AAS-08

ATTACHMENTS

Attachment 1: Listing of Entities

Listing of Entities

Arenas

1. George Bell Arena
2. Larry Grossman Forest Hill Memorial Arena
3. Leaside Memorial Community Gardens
4. McCormick Playground Arena
5. Moss Park Arena
6. North Toronto Memorial Arena
7. Ted Reeve Community Arena
8. William H. Bolton Arena

Community Centres

1. 519 Church Street Community Centre
2. Applegrove Community Complex
3. Cecil Street Community Centre
4. Central Eglinton Community Centre
5. Community Centre 55
6. Eastview Neighbourhood Community Centre
7. Harbourfront Community Centre
8. Ralph Thornton Community Centre
9. Scadding Court Community Centre
10. Swansea Town Hall Community Centre

Miscellaneous Entities

1. Clean Air Partnership
2. Heritage Toronto
3. Toronto Atmospheric Fund
4. Yonge-Dundas Square