



June 19, 2013

Mr. Jeff Griffiths
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Dear Mr. Griffiths:

Re: 2012 Audits of the City's Community Centres (AOCCs)

We have completed our audits of the various Community Centres, as specified in the audit proposal with the City of Toronto. The objective of our audits was to obtain reasonable assurance whether the financial statements of the various entities are free of material misstatement, and were not designed to identify all matters that may be of interest to management.

All the Community Centres have utilized the services of a person with accounting experience to assist with their accounting records and financial reporting. Generally, the entities prepared satisfactory working papers including fairly extensive variance analysis from budgets.

Of course, many of the entities have less than ideal segregation of duties because of the limited number of staff. One person in the organization will perform more than one of the following functions: initiation, authorization, processing and delivery or the business manager will both prepare and review journal entries.

We did note however that in many instances there is evidence of management oversight by the respective Boards to compensate for the lack of segregation of duties. Minutes of meetings reflect careful review of financial results to budget as well as discussion and approval of any major expenditures.

We are pleased to report that we received the co-operation of the various staffs at the Community Centres and that there were no difficulties encountered.

We trust this letter will be of interest to you and the Audit Committee. If there are any questions we would be pleased to discuss any matter with you.

Yours truly,

GRANT THORNTON LLP

Grant Thornton LLP

Donnie Morris, CA
Principal

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