

**REPORT FOR ACTION****TO Live - Results of 2019 Follow-up Review of Previous Audit Recommendations Made to Sony Centre for the Performing Arts**

Date: May 27, 2019

To: Audit Committee and the Board of Directors of TO Live

From: Auditor General

Wards: All

SUMMARY

On an annual basis, the Auditor General reviews the implementation status of outstanding audit recommendations and reports the results to City Council through the Audit Committee.

This report provides the implementation status of the audit recommendations contained in the report entitled "Review of the Redevelopment of the Sony Centre for the Performing Arts" dated April 24, 2014.

The audit report contains 12 recommendations. In prior follow-up reviews, we determined that six recommendations have been fully implemented. During the current follow-up process, we verified that four recommendations have been fully implemented, one recommendation has been partially implemented, and one recommendation is no longer applicable.

The one remaining outstanding audit recommendation relates to a procurement policy that was recently adopted by the Board of Directors of TO Live at its meeting on May 9, 2019. We will verify implementation of this policy in the next follow-up process.

Effectiveness of policy and procedure enhancements or improved controls resulting from the implementation of audit recommendations, rely on management's continuous efforts beyond the audit follow-up process.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Board of Directors of TO Live receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from receipt of this report.

DECISION HISTORY

The results of the Auditor General's "Review of the Redevelopment of the Sony Centre for the Performing Arts" was presented to the Board of Directors of the Hummingbird (Sony) Centre for the Performing Arts on April 24, 2014, to the City's Audit Committee on May 28, 2014 and to City Council at its meeting on June 10, 2014. The audit report is available at:

<http://www.toronto.ca/legdocs/mmis/2014/au/bgrd/backgroundfile-69062.pdf>

This is our fifth follow-up review of recommendations resulting from the audit.

The results of our previous follow-up reviews are available at:

<https://www.toronto.ca/legdocs/mmis/2018/au/bgrd/backgroundfile-117949.pdf>

<https://www.toronto.ca/legdocs/mmis/2017/au/bgrd/backgroundfile-105100.pdf>

<https://www.toronto.ca/legdocs/mmis/2016/au/bgrd/backgroundfile-94490.pdf>

<https://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81443.pdf>

Since the release of our original audit report in 2014, a new City agency, TO Live has been created to manage and operate the City's three major civic theatres – the St. Lawrence Centre for the Arts, Toronto Centre for the Arts and the Sony Centre for the Performing Arts.

In accordance with the Auditor General's 2019 Work Plan, we have completed a review of the implementation status of audit recommendations issued to TO Live. We will include the results of this follow-up review in a consolidated report to the City Audit Committee in June 2019. The consolidated report will include a summary of our review of outstanding recommendations for all City Agencies and Corporations.

The follow-up of outstanding recommendations is required by Government Auditing Standards. This process ensures that management has taken appropriate action to implement the recommendations from previous audit reports.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

COMMENTS

The follow-up review process requires that management provide the Auditor General with a written response regarding the implementation status of each audit recommendation. Where management indicates that recommendations have been implemented, audit staff conduct audit work to ensure the accuracy of management assertions. Where management indicates that recommendations have not been implemented, no audit work is performed and the audit recommendations are carried forward to the next follow-up review. Where management indicates that recommendations are not applicable, audit staff review management's response and confirm management's assertion.

Table 1 represents the results of our current follow-up of audit recommendations for the audit report entitled "Review of the Redevelopment of the Sony Centre for the Performing Arts".

Table 1: Results of 2019 Follow-up Review

Report Title	Total No. of Recs.	Outstanding Recs from Previous Follow-up Review	Results of 2019 Follow-up Review		
			Fully Implemented	Not Fully Implemented	No Longer Applicable
Review of the Redevelopment of the Sony Centre for the Performing Arts, 2014	12	6	4	1	1

The recommendations we verified as fully implemented during our current follow up process are included in Attachment 1. Effectiveness of policy and procedure enhancements or improved controls resulting from the implementation of audit recommendations, rely on management's continuous efforts beyond the audit follow-up process.

The recommendation that is not fully implemented is included in Attachment 2 and the recommendation that is no longer applicable is included in Attachment 3.

We express our appreciation for the co-operation and assistance we received from management and staff of TO Live during this year's follow-up review.

CONTACT

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SIGNATURE

Beverly Romeo-Beehler
Auditor General

ATTACHMENTS

Attachment 1: Sony Centre for the Performing Arts, Audit Recommendations – Fully Implemented

Attachment 2: Sony Centre for the Performing Arts, Audit Recommendations – Not Fully Implemented

Attachment 3: Sony Centre for the Performing Arts, Audit Recommendations - No Longer Applicable