

Mayor

DAVID MILLER

June 25, 2010

MEMORANDUM

To: City Council

From: Mayor David Miller

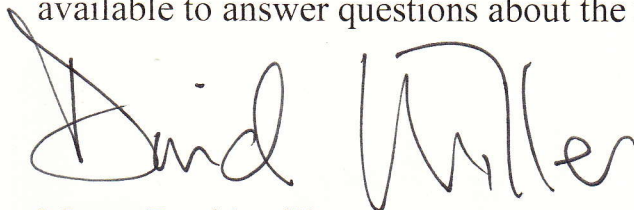
Re: External Auditor's Reports for the Integrity Commissioner,
Lobbyist Registrar and Ombudsman

I am transmitting to City Council the external auditor's reports for the Integrity Commissioner, Lobbyist Registrar and Ombudsman.

The Toronto Municipal Code, Chapter 3 ("Accountability Officers"), requires that the City's Accountability Officers undergo an annual audit by an external auditor, a practice that began with the Auditor General.

As directed by City Council, the City Manager facilitated the request for proposal process and retained Robert Gore & Associates to undertake this work. The external auditors have completed their review and enclosed are their results for your information.

Mr. Kevin Fretz from Robert Gore & Associates will be available at City Council to answer questions about the audit process. The City Manager will be available to answer questions about the request for proposal process.



Mayor David Miller





May 28, 2010

Private and Confidential

Joseph P. Pennachetti
City Manager
City Manager's Office
City Hall, 11th Floor, East Tower
Toronto, Ontario M5H 2N2

Re: 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, 2009

To Joseph P. Pennachetti, City Manager:

This letter has been prepared at the request of Toronto City Council to obtain assurance that expenditures as incurred by the Ombudsman's Office of the City of Toronto are in compliance with the applicable policies as set by the City of Toronto.

We have performed the auditing procedures as described below. This agreed-upon procedures engagement was performed in accordance with standards published by the Canadian Institute of Chartered Accountants. The sufficiency of these procedures is solely the responsibility of Toronto City Council. Consequently, we make no representation regarding the sufficiency of the City of Toronto Policies described below.

For the purpose of this letter, the financial information to which the auditing procedures were applied was comprised of the City of Toronto SAP report entitled "Analysis of Actuals by period for the Year of 2009" for the Ombudsman's Office. This report is essentially a General Ledger report detailing the transactions that have been posted under the cost elements which compose the scope of the transactions subject to audit.



To clarify, Internal Audit provided us with the listing of Cost Elements to be tested and they are as follows;

- 2010 Stationary and office
- 2020 Books and magazines
- 2040 Photocopy, Fax and Printing Supplies
- 2080 Photo and Video supplies
- 2099 Other Office Materials
- 2260 Gasoline
- 2570 Janitorial supplies
- 2650 Computer and Printer Supplies
- 2999 Miscellaneous Materials
- 3070 Information processing
- 4082 Photo and Video services
- 4205 Business Travel – Kilometer charge
- 4210 Business Travel – Accommodation
- 4215 Business Travel – Air
- 4220 Business Travel – Ground
- 4230 Business Travel – Other
- 4250 Conferences and Seminars – Advance
- 4252 Conferences and Seminars – Accommodation
- 4253 Conferences and Seminars – Rail Travel
- 4254 Conferences and Seminars – Air Travel
- 4255 Conferences and Seminars – Other
- 4256 Conferences and Seminars – Registration
- 4310 Training and Development
- 4340 Tuition Fees
- 4414 Advertising and promotion
- 4510 Rental of Vehicle and Equipment
- 4515 Rental of Office Equipment
- 4755 Meals (non-travel)
- 4760 Members Fees
- 4770 Parking Expense
- 4775 Meterage – intown
- 4810 Telephone
- 4811 Cellular phones
- 4820 Business meeting expense
- 4825 Printing and reproduction – 3rd party
- 4995 Other expenses

The aggregate amount of these Cost Elements was \$44,391.87. The cost elements over and above those we tested are subject to audit by the city's external auditor Ernst and Young.



The City of Toronto Policies applicable to the above named Cost Elements are as follows;

- Expense Claim Policies are they relate to Meal Allowance, Business meetings and Professional membership fees
- Conferences, Seminars, Business Travel
- Conflict of Interest
- Lieu Time Policy
- Mileage reimbursement
- Training and Development request
- Departmental Purchase Orders
- Contract Release Order for Blanket Contracts
- Sole Source Requests
- Petty Cash
- Tuition Fee Reimbursement
- Long Distance Phone Calls
- Cheque requisition procedures

The Policy Applicability Matrix linking each cost element with the applicable city policies has been reviewed and confirmed. We applied a statistically significant sample of the cost elements to that matrix which formed the basis of our substantive tests.

We tested our sample against the underlying supporting documents for adherence to the policies noted above and as a result of those tests we found no exceptions to the adherence to the policies as they applied to our test sample.

Based on the results of these tests we are satisfied that the Ombudsman's Office is in compliance with the applicable City of Toronto Policies as set out above.

This communication is provided solely for the purpose of determining compliance with the City of Toronto's Policies as required by the "Policy Framework for Toronto's Accountability Officers" as approved by City Council in April 2009, and should not be used for any other purposes.

Yours truly,

Robert Gore & Associates
Chartered Accountants