

To: Toronto Public Library Board – February 20, 2006

From: City Librarian

Subject: **Auditor General’s Fines and Income Cash Collection Process Review – Terms of Reference**

Purpose:

To update the Toronto Public Library Board on the terms of reference being proposed by the Auditor General’s Office for their Fines and Income Cash Collection Process Review at the Library.

Funding Implications and Impact Statement:

There are no funding implications associated with the Auditor General’s review.

Recommendation:

It is recommended that the Toronto Public Library Board receive the *Auditor General’s Fines and Income Cash Collection Process Review – Terms of Reference* report for information.

Background:

The Auditor General’s Office was created by Council in May 2002. The Auditor General, appointed by Council, is responsible for the evaluation of City Programs, activities and functions of Departments and Agencies, Boards and Commissions, and the Office of the Mayor and Members of Council. In November 2004, the Auditor General submitted a report to the Audit Committee and City Council, which outlined its 2005 work plan. Included in the 2005 Audit Work Plan were two items related to the Library:

- Fines and Related Income – Toronto Public Library
- Trust Fund – Toronto Public Library

Comments:

In November 2005, the Library received notice from the Auditor General’s Office that the planned review was commencing. Based on initial discussions, the terms of reference for the review were refined to address fines and income, and the associated cash collection processes. Donations and government grants were excluded from the scope of the review. Also excluded

from the scope were the Trust Funds, which were transferred to the Toronto Public Library Foundation for administration in January 2005. The transfer resulted from a recommendation from the external auditors, intended to maximize returns and streamline administration as they relate to the Trust Funds.

Attachment 1 provides the terms of reference for the Fines and Income Cash Collection Process Review, as provide by the Auditor General's Office, which is being submitted to the Audit Committee at its meeting on February 22, 2005. The terms of reference also list the audit objectives, which are to:

- assess the efficiency and effectiveness of cash collection and related processes for fines and income and identify opportunities for cost savings and revenue enhancement;
- assess the extent of compliance with applicable policies and procedures; and
- provide management with recommendations to improve the processing and administration of cash collection processes.

The Auditor General is expected to submit the results of the audit to the Audit Committee in June 2006. The report will also be submitted to the Library Board.

Conclusion:

The Auditor General's Office assists City Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in City operations.

Contact:

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Josephine Bryant  
City Librarian

List of Attachments:

Attachment 1: City of Toronto Staff Report dated January 9, 2006 from the Auditor General to the Audit Committee regarding Terms of Reference – Audit Projects