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To: Toronto Public Library Board – June 6, 2005
From: City Librarian
Subject: **Payroll Processing Review – Report to Audit Committee**

Purpose:

To report to the City of Toronto's Audit Committee on recommendations contained in a report from the Auditor General resulting from a review of payroll processes at the City.

Funding Implications and Impact Statement:

There are no financial implications as a result of this report.

Recommendation:

It is recommended that the Toronto Public Library Board receive this *Payroll Processing Review – Report to Audit Committee* and forward it on to the City's Audit Committee.

Background:

City Council at its meeting on November 30, December 1 and 2, 2004 adopted the recommendations made in the Auditor General's report of October 27, 2004 on "Payroll Processing Review – Phase One". The report identified some issues and potential risk areas to be addressed by management staff at the City, and contained the following recommendation:

"City Council direct that this report be forwarded to the City's Agencies, Boards and Commissions in order to ensure that issues raised in this report are addressed by them, where appropriate. The City's Agencies Boards and Commissions be required to report back to the Audit Committee at its meeting of July 11, 2005, in connection with the results of their review."

This *Payroll Processing Review – Report to Audit Committee* fulfills the Library's requirement to respond to Council recommendations.

Comments:

Toronto Public Library management has reviewed the recommendations and issues raised in the Auditor General's report, and a summary of the findings is contained on Attachment 1.

The Library uses a combination of an electronic Human Resources Information System (HRIS), manual time-sheets and an external payroll provider, Ceridian, to process its payroll. The Library's payroll processes are separate from the City, who uses their SAP system.

The Library is nearing completion of an automated Time and Attendance System (TAS), which is expected to be functional by the third quarter of 2005. TAS replaces an existing manual time-sheet system. TAS has a number of built-in features which automate functions currently done manually, including automatically allocating employee's entitlement for overtime, shift premiums, standby and call-back pay in accordance with the collective agreement. TAS provides instant updates for employee's sick, vacation and lieu-time balance, and these balances are available on-line for verification. Individual sick/vacation credits and usage reports are available as required. TAS is also capable of acting on the effective and ending dates for assignments, transfers, promotions, etc., and pay rates will be applied accordingly. Human Resources staff will control all changes made to TAS and assign pay rates for each position.

Conclusion:

The Library is substantially in compliance with the recommendations contained in the Auditor General's report. Internal controls will be further improved with the implementation of an automated Time and Attendance System.

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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Toronto Public Library: Payroll Processing Review – Report to Audit Committee
– Summary of Findings