



## STAFF REPORT INFORMATION ONLY

# 12.

### Audit Plan for the Year Ending December 31, 2010

<b>Date:</b>	January 6, 2011
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

#### **SUMMARY**

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The attached report from PricewaterhouseCoopers, the new external auditors, summarizes the planning for their audit of the 2010 financial statements for the Toronto Public Library Board.

#### **FINANCIAL IMPACT**

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The proposed base audit fee of \$26,720, inclusive of expenses and exclusive of Harmonized Sales Tax, is included in the 2010 operating budget. It is important to note that the audit fee does not include extra audit work that may be required due to scope changes, and PricewaterhouseCoopers will advise management as soon as possible if this were to happen.

This is the first year of a five-year audit contract which the City has negotiated. The future years' audit fees for 2011 to 2014 are \$26,730, \$28,690, \$30,660 and \$32,790, respectively.

#### **DECISION HISTORY**

As part of the annual audit, PricewaterhouseCoopers provides an Audit Plan report to the Toronto Public Library Board. The auditors will conduct their audit of the 2010 financial statements pursuant to this Plan.

#### **ISSUE BACKGROUND**

Under Section 139 of the City of Toronto Act, 2006, the City is required to appoint an auditor licensed under the Public Accounting Act 2004, who is responsible for annually auditing the accounts and transactions of the City and its local boards, and expressing an opinion on the financial statements of these entities based on the audit.

On November 3, 2009, the Auditor General's Office issued a request for proposal for the provision of external audit services for the City of Toronto and its Agencies, Boards and

Commissions. Council, at its February 2010 meeting, approved the recommendation of the Audit Committee to appoint PricewaterhouseCoopers as the external auditor for the City and Library. The contract with PricewaterhouseCoopers is for five years, ending with the audit of the December 31, 2014 financial statements.

## **COMMENTS**

Attached is PricewaterhouseCoopers' Audit Plan for the Library which summarizes their view on audit risks, the nature, extent and timing of the audit work, the proposed fees and the terms of engagement.

On completion of the audit, PricewaterhouseCoopers will issue the Audited Financial Statements and an Audit Report that will provide: key findings, particularly regarding significant estimates, transactions, and accounting policies and disclosures; any significant deficiencies identified in internal controls; and a confirmation of auditor independence.

Work on the interim audit was completed in November 2010, and the year-end audit is expected to be completed in April 2011.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Toronto Public Library Board - Audit Plan for the year ending  
December 31, 2010