



**STAFF REPORT
INFORMATION ONLY**

14.

Audit Results – Year Ended December 31, 2006 – Toronto Public Library Board

Date:	April 16, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

As part of their audit function, the external auditors, Ernst & Young, are required to produce an Audit Results report. The attached report from Ernst & Young summarizes the results of their audit of the 2006 financial statements for Toronto Public Library Board.

FINANCIAL IMPACT

The annual agreed Ernst & Young audit fee is \$25,000, inclusive of expenses and Goods & Services Tax, which is included in the Operating Budget. This year, there is an additional charge of \$8,000, which represents the cost of additional audit work related to testing a new time and attendance system, the cost of which will be accommodated within the 2007 operating budget.

DECISION HISTORY

The external audit contract with Ernst & Young is for five years ending with the audit of the December 31, 2007 financial statements. At the Toronto Public Library Board meeting of January 29, 2007, Ernst & Young's report on Audit Planning – Year Ended December 31, 2006 was received for information.

ISSUE BACKGROUND

As part of the annual audit, the Ernst & Young is required to provide an Audit Results report to the Toronto Public Library Board upon completion of the audit.

COMMENTS

Attached is Ernst & Young's Audit Results for TPL which includes Required Communications, Areas of Significance Discussed with Management, Summary of Audit Differences and an Independence Letter.

As noted on page 5 of Ernst & Young's report, additional audit work was to test the new time and attendance system which impacts the processes for staff entitlements and payroll. As noted on page 4, the charge for the additional work was \$8,000. The audit agreement with Ernst & Young allows additional billings for work resulting from changes in systems or processes at TPL.

During the course of the audit, areas of significance discussed with Library management are noted on pages 5-6 of Ernst & Young's report.

In the Summary of Audit Differences on page 7, Ernst & Young have identified net unadjusted audit differences of \$73,271 for operating and \$372,173 for capital, which are not material.

No significant weaknesses in internal controls were identified.

A representative from Ernst & Young will be in attendance at the April 16, 2007 Board Meeting to respond to questions.

The auditors provided an unqualified opinion in the Auditor's Report contained in a separate Board report, Financial Statements – Toronto Public Library Board – December 31, 2006. An unqualified opinion means that the financial statements are presented fairly, in all material respects.

CONTACT

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SIGNATURE

Josephine Bryant
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ATTACHMENTS

Attachment 1: Toronto Public Library Board – Audit Results – Year Ended December 31, 2006