

## **Audit Year-End Report – December 31, 2012 – Toronto Public Library Board**

<b>Date:</b>	May 27, 2013
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

### **SUMMARY**

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As part of their audit function, the external auditors, PricewaterhouseCoopers LLP (PwC), are required to produce a year-end report to the Toronto Public Library Board. The attached report from PwC summarizes the results of their audit of the 2012 Financial Statements for Toronto Public Library (TPL).

### **FINANCIAL IMPACT**

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PwC's fee for the audit is \$28,690 (excluding the Harmonized Sales Tax) as reported to the Board at its meeting on November 29, 2012 in the *Audit Plan for the Year Ending December 31, 2012* report and the amount is included in the operating budget.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

### **ISSUE BACKGROUND**

At the Board meeting of November 29, 2012, PwC's report on the *Audit Plan for the Year Ending December 31, 2012*, which outlined their approach to the audit, was received for information. This is the third year of a five-year contract with PwC.

As part of the annual audit, PwC is required to provide a year-end report to the Library Board upon completion of the audit.

### **COMMENTS**

Attached is PwC's *2012 Year-end report to the Board* for the audit of the financial statements for the year ended December 31, 2012. PwC's report includes: an Executive Summary; Significant Audit, Accounting and Financial Reporting Matters; Summary of Unadjusted and Adjusted Items; Other Required Communications; and Internal Control Recommendations.

PwC proposes to issue an unqualified report when three outstanding matters are cleared: the receipt of Buck Consultants Valuation report and the testing thereof, the receipt of a signed management representation letter as of the date of the May Board meeting; and Board approval of the draft financial statements.

In the Internal Control Recommendations on page 6 of the attachment, it is noted there are two minor internal control deficiencies identified in 2012:

1. The review of Bank Reconciliations had not been performed, by the Accounting Manager for the last two months of the year. Management will ensure that Bank Reconciliations are reviewed monthly.
2. Journal entries posted by the Accounting Officers are not always reviewed by the Accounting Manager. Management will ensure that the Accounting Manager reviews the journal entries generated by the Accounting Officers.

On page 7 of the attachment, PwC notes that the two internal control deficiencies identified in 2011 have been resolved.

Representatives from PwC will be in attendance at the Board meeting.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Toronto Public Library Board – Year-end Report to the Board – December 31, 2012