

September 2, 2004

To: Audit Committee

From: City Librarian

Subject: Outstanding Issues from Management Letters - Audit Results for the Year Ended December 31, 2003 – Toronto Public Library Board and Trust Funds of the Toronto Public Library Board

Purpose:

To provide an update to the Audit Committee of issues raised by the External Auditors, Ernst & Young, in their audit of the Toronto Public Library Board and Trust Funds of the Toronto Public Library Board for the year ended December 31, 2003.

Financial Implications and Impact Statement:

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

Recommendations:

It is recommended that the “Outstanding Issues from Management Letters - Audit Results for the Year Ended December 31, 2003 – Toronto Public Library Board and Trust Funds of the Toronto Public Library Board” report be received for information.

Background:

On July 20, 21 and 22, 2004, the Audit Committee recommended to City of Toronto Council in Audit Committee Report 4, Clause 2, that “... the City’s Agencies, Boards and Commissions be required to provide an update to the Audit Committee of outstanding issues raised in the Management Letter, within six months after the issuance of the Management Letter”. City Council adopted the recommendation without amendment.

Comments:

**Audit Results for the Year Ended December 31, 2003 – Toronto Public Library Board:**

*Expense Report Approvals:*

As part of their work, the External Auditors recommended that a review be made of the authorization process for expense reports for the City Librarian. Management indicated that the approval levels will be part of the 2004 review of the business expense policy. The Expense Claim Policy will be reviewed by the Library Board in the fall of 2004.

*Information Technology – Disaster Recovery Plan:*

The External Auditors recommended that management implement a formal and current disaster recovery plan. Planning has begun and staff are scheduled for training sessions in the fall of 2004. The Library intends to use external resources to develop and implement the disaster recovery plan. The costs to develop the plan and policies and procedures will be funded within the 2005 IT work plan and budget. New costs to implement the policies and procedures will have to be incorporated into future budgets.

**Audit Results for the Year Ended December 31, 2003 – Trust Funds of the Toronto Public Library Board:**

The External Auditors recommended that the transfer of Trust Funds from the Library to the Foundation be reviewed by staff and legal counsel. The approval of the transfer is expected to be presented to the Toronto Public Library Board at its meeting on October 18, 2004.

Conclusions:

With the receipt of the “Outstanding Issues from Management Letters - Audit Results for the Year Ended December 31, 2003 – Toronto Public Library Board and Trust Funds of the Toronto Public Library Board” report, the Library’s requirement to provide the Audit Committee with an update of outstanding issues raised in the Library’s Management Letters, within six months after the issuance of the Management Letters has been met.

Contact:

Larry Hughsam, Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;  
E-mail: [lhughsam@tpl.toronto.on.ca](mailto:lhughsam@tpl.toronto.on.ca)

---

Josephine Bryant  
City Librarian

List of Attachments:

Not applicable.