



**STAFF REPORT
INFORMATION ONLY**

16.

Audit Year-End Report – December 31, 2013 – Toronto Public Library Board

Date:	May 26, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

As part of their audit function, the external auditors, PricewaterhouseCoopers LLP (PwC), is 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 2013 Financial Statements for Toronto Public Library (TPL).

FINANCIAL IMPACT

PwC's fee for the audit is \$30,660 (excluding the Harmonized Sales Tax) as reported to the Board at its meeting on November 18, 2013 in the *Audit Plan for the Year Ending December 31, 2013* 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 18, 2013, PwC's report on the *Audit Plan for the Year Ending December 31, 2013*, which outlined their approach to the audit, was received for information. This is the fourth 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 *2013 Year-end report to the Board* for the audit of the financial statements for the year ended December 31, 2013. PwC's report includes: an Executive Summary; Significant Audit, Accounting and Financial Reporting Matters; Other Required Communications; and Internal Control Recommendations.

PwC proposes to issue an unqualified report when two outstanding matters are cleared: 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 5 of the attachment, it is noted there is one minor internal control deficiency identified in 2013:

1. Documentation for review and approval of vacation carry-over was not consistently maintained. It is recommended that on an annual basis banked vacation hours are reviewed and written approval is provided for each individual with hours banked above the 105 hour limit, or above the one year's vacation entitlement. Management agrees with this recommendation.

On page 6 of the attachment, PwC notes that the two internal control deficiencies identified in 2012 have been resolved.

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

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Toronto Public Library Board – 2013 Year-end Report to the Board