



## STAFF REPORT INFORMATION ONLY

18.

### Audit Results – Year Ended December 31, 2008

<b>Date:</b>	June 15, 2009
<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, Ernst & Young, are required to produce an Audit Results report. The attached report from Ernst & Young summarizes the results of their audit of the 2008 financial statements for Toronto Public Library Board.

#### **FINANCIAL IMPACT**

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The proposed audit fee of \$43,720, inclusive of expenses and exclusive of Goods & Services Tax, is included in the approved operating budget.

The Director, Finance & Treasurer has reviewed this Financial Impact Statement and is in agreement with it.

#### **DECISION HISTORY**

The external audit contract with Ernst & Young is for two years ending with the audit of the December 31, 2009 financial statements. At the Toronto Public Library Board meeting of December 15, 2008, Ernst & Young's report on Audit Planning – Year Ended December 31, 2008 was received for information.

#### **ISSUE BACKGROUND**

As part of the annual audit, 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 Items of Audit Significance Discussed with Management, Summary of Audit Differences, Required Communications and an Independence Letter.

During the course of the audit, items of audit significance discussed with Library management are noted on pages 1 - 3 of Ernst & Young's report. As noted on page 1, for Employee Future Benefits, the City of Toronto identified an error in the Mercer report for the actuarial valuation of sick leave liabilities. The Library's sick leave liability is a subset of the City's actuarial valuation. This impacted employee future benefits payable recorded by the Library in 2007. Mercer prepared a revised valuation of the sick leave liabilities as at December 31, 2007. As a result of the revised valuation, the employee future benefits payable was restated for 2007.

In the Summary of Audit Differences on page 4, Ernst & Young has identified total unadjusted audit differences of \$149,445 for current operations. This represents an under-accrual of expenses which is not material to the financial statements.

No significant weaknesses in internal controls were identified.

Representatives from Ernst & Young will be in attendance at the June 15, 2009 Board Meeting to respond to questions.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Toronto Public Library Board – Audit Results – Year Ended December 31, 2008