



**STAFF REPORT
INFORMATION ONLY**

20.

Audit Results – Year Ended December 31, 2009 – Toronto Public Library Board

Date:	June 21, 2010
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

As part of their audit function, the external auditors, Ernst & Young (E&Y), are required to produce an Audit Results report. The attached report from Ernst & Young summarizes the results of their audit of the 2009 financial statements for Toronto Public Library Board and provides information on the audit fees.

FINANCIAL IMPACT

E&Y's fee for the regular audit is \$43,720, was reported to the Board at its meeting on January 18, 2010, in the *Audit Planning – Year Ended December 31, 2009* report. Also noted in that report, was that E&Y would be required to perform additional work for the implementation of new financial reporting standards including Tangible Capital Assets reporting, and that the fee could not be determined at that time. E&Y's fee for the additional work is \$90,000.

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

DECISION HISTORY

At the Toronto Public Library Board meeting of January 18, 2010, Ernst & Young's report on *Audit Planning – Year Ended December 31, 2009* 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.

In the Audit Results report for the 2008 financial statements, it was noted that due to an error on a consultant's report, the employee liability was understated by \$2.4 million. This was corrected when the employee liability was recalculated for the 2009 financial statements.

In the Summary of Audit Differences on page 4, E&Y has identified total unadjusted audit differences of \$494,000. This represents an over-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 21, 2010 Board Meeting to respond to questions.

Price Waterhouse Coopers will be the auditors for the 2010 financial statements.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Toronto Public Library Board – Audit Results – Year Ended December 31, 2009