



STAFF REPORT ACTION REQUIRED

Parks, Forestry and Recreation – Review of Internal Controls at the East York Curling Club

Date:	April 27, 2010
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The objective of this review was to assess the adequacy of the East York Curling Club’s system of internal control over revenues, inventory management and compliance with policies and procedures related to cash handling and purchasing.

Most of the projects completed by the Auditor General’s Office are usually Divisional in nature and encompass large scale reviews involving significant audit time and staff resources. During our review of the City’s Purchasing Card Program, it became evident that the use of purchasing cards not only pertained to Divisional Staff at the City but it had also been extended to entities, including the East York Curling Club, outside the immediate day-to-day control of the City. The Auditor General’s report (October 27, 2009) entitled, “[City Purchasing Card \(PCard\) Program - Improving Controls Before Expanding the Program](#)” was adopted by City Council on January 26 and 27, 2010.

While we did not identify any irregularities at the East York Curling Club during our purchasing card review, we nevertheless deemed it appropriate to conduct a more detailed review of controls in order to ensure that they are appropriate and effective. A further benefit of such a review would be the probability that any recommendations resulting from this review could likely be applicable to other similar entities.

RECOMMENDATIONS

The Auditor General recommends that:

1. The General Manager of Parks, Forestry and Recreation, evaluate the City's ongoing role in the management of facilities such as the East York Curling Club. The evaluation determine the most effective operating model taking into account community involvement in the facility as well as the management of core programs and other ancillary services.
2. The General Manager of Parks, Forestry and Recreation, develop an accountability framework which includes formal operating agreements for groups operating programs at any City owned curling facility.
3. The General Manager of Parks, Forestry and Recreation, until such time as a different operating model is implemented, request that the members of the Club's volunteer Executive Board:
 - a. Provide a financial report on a periodic basis, regarding funds held in the Board's bank accounts and the expenditures made using these funds.
 - b. Provide access, upon request, to review documents and records to substantiate the completeness of receipts and the appropriateness of expenditures.
4. The General Manager of Parks, Forestry and Recreation review the internal control deficiencies identified at the East York Curling Facility and establish a process whereby such control deficiencies are reviewed and addressed by the Parks, Forestry and Recreation Compliance Unit.
5. The General Manager of Parks, Forestry and Recreation review the recommendations contained in this report for applicability to the other two Parks, Forestry and Recreation curling facilities, and where appropriate, such recommendations be implemented.

Financial Impact

The implementation of recommendations in this report, as well as in the letter issued separately to management, will strengthen controls, improve accountability and result in potential increases in revenues and cost savings.

DECISION HISTORY

This report provides the results of the Auditor General's review of the Parks, Forestry and Recreation – Review of Internal Controls at the East York Curling Club.

COMMENTS

The Auditor General's report entitled "Parks, Forestry and Recreation – Review of Internal Controls at the East York Curling Club" is attached as Appendix 1. Management's response to each of the recommendations contained in this report is attached as Appendix 2.

CONTACT

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SIGNATURE

Jeffrey Griffiths, Auditor General

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ATTACHMENTS

- Appendix 1: Parks, Forestry and Recreation – Review of Internal Controls at the East York Curling Club
- Appendix 2: Management's Response to the Auditor General's Report on Parks, Forestry and Recreation – Review of Internal Controls at the East York Curling Club