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## Summary Report - Special Examination

To the Board of Directors  
Toronto Port Authority, and  
the Minister of Transport

As required by Section 41 of the Canada Marine Act (CMA), we have carried out a special examination of the financial and management control and information systems and management practices maintained by the Toronto Port Authority (the Port Authority) as at December 31, 2008. The Port Authority is required by the Canada Marine Act to maintain these systems and practices in such a manner as will provide reasonable assurance that the Port Authority's:

- Assets are safeguarded and controlled;
- Transactions are in accordance with the Canada Marine Act, the letters patent and the by-laws of the Port Authority; and
- Financial, human and physical resources are managed economically and efficiently and the operations are carried out effectively.

Our responsibility is to express an opinion on whether, during the period under examination, there was reasonable assurance that there were no significant deficiencies in the systems and practices examined.

A plan for the examination, based on a survey of the Port Authority's systems and practices, was approved by the audit committee on November 10, 2009. The plan included the criteria to be applied in the special examination. The criteria for this examination were selected in consultation with the Port Authority. They were based on our knowledge and experience with value for money auditing and with reference to legislative and regulatory requirements, to standards and practices followed by the Port Authority and by other organizations. These criteria are listed in Appendix A.

The plan also identified those systems and practices that we considered to be essential to providing the Port Authority with reasonable assurance regarding its assets being safeguarded and protected, the authority of its transactions, its resources being managed economically and efficiently, and its operations being carried out effectively. The systems and practices of ten departments and functional areas selected for detailed examination are listed in Appendix A.

Our examination was made in accordance with the plan, as well as standards for assurance engagements, recommended by the Canadian Institute of Chartered Accountants. Accordingly, it included such tests and other procedures, as we considered necessary in the circumstances.



To the Board of Directors  
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In our opinion, with respect to the criteria established there is reasonable assurance that there are no significant deficiencies in the systems and practices examined.

This report is intended solely for the internal use of the Minister of Transport and the Board of Directors of the Toronto Port Authority. Deloitte & Touche LLP assumes no responsibility or liability for damages incurred by any other entity or person resulting from the use or reliance on this report.

Deloitte & Touche LLP

A handwritten signature in cursive script that reads "Deloitte &amp; Touche LLP".

Chartered Accountants  
Licensed Public Accountants  
December 30, 2009

## Appendix A–Evaluation criteria

### Corporate governance

Evaluation category	Evaluation criteria
Effectiveness	Strategy
	Oversight and Accountability
Efficiency	Performance measures
	Organizational Structure
Economy	Resource management
	Value measurement
	Compensation / Performance Alignment
Safeguarding of Assets	Risk management
	Delegation of Authority / Segregation of Duties
Letters patent/by-laws	Compliance

## Corporate accounting

Evaluation category	Evaluation criteria
Effectiveness	Financial Accounting Policies and Practices
	Accuracy and Integrity of Financial Reporting
	Appropriateness/ Quality of Financial Information
	Financial Performance
	Adequacy of IT Systems
	Internal Customer Satisfaction
Efficiency	Timeliness of Financial Reporting
	Timeliness & Completeness of Billings and Collections
	Financial Processes
	Resource management
Economy	Tendering Process
	Contract/Agreement Process
	Timeliness of Payments
	Budgeting Process
	Insurance & Risk Management
Safeguarding of Assets	Segregation of Duties
	Authorization
	Safeguarding
	Capital Assets
Letters patent/by-laws	Compliance to by-laws, patents, policies and procedures

## Billy Bishop Toronto City Airport

Evaluation category	Evaluation criteria
Effectiveness	Compliance to Policies & Procedures & Guidelines of Operations Manual
	Uninterrupted Operations
	Airport Infrastructure
	Airport Operations – Ability to be Self-Sustaining
	Third Party Relationships – Vendors , Suppliers & Regulators
	Customer Satisfaction
	Safety & Security (both at the Airport and the Ferry)
	Adequacy of IT Systems
	Resource Management
	Accuracy of Billings
	Environmental Stewardship & Corporate Responsibility Reporting
Efficiency	Service Delivery
	Equipment
Economy	Ferry Operations & Maintenance
	Tendering Process
	Budgeting & Process
	Labour – permanent and casual
Safeguarding of Assets	Safeguarding
	Segregation of Duties
Letters patent/by-laws	Compliance to by-laws, patents, policies and procedures

## Port of Toronto and Terminal

Evaluation category	Evaluation criteria
Effectiveness	Operation of Vessels in Accordance with CMA & Practices & Procedures (Port only)
	Port & Terminal Security
	Relationships with Third Parties
	Use of Contracted Services for Terminal Management
	Customer Satisfaction
	Environmental Stewardship
	Departmental Profitability
	Accuracy of Billings
	Adequacy of IT Systems
Efficiency	Loading & Unloading (trucks only)
	Timeliness of Invoicing and Collections
	Use of contractor
Economy	Tendering Process
	Cargo Handling/Loading (terminal/trucks only)
	Equipment Maintenance
	Budgeting Process
Safeguarding of Assets	Safeguarding
	Segregation of Duties
Letters patent/by-laws	Compliance to by-laws, patents, policies and procedures

## Works, outer harbour marina, and property & filming

Evaluation category	Evaluation criteria
Effectiveness	Certification, Licensing & Compliance to Regulations
	Quality of Services & Customer Satisfaction
	Effective Pricing Models
	Profit opportunities/maximization
	Resource Management
	Proactive Maintenance
	Safety & Security
	Timeliness of Services
	Adequacy of IT Systems
	Safe Operation of Vessels in the Port
	Accuracy of Billings
	Environmental Stewardship, "Greening" & Reporting
Efficiency	Equipment
	Launching / Dry docking / Storage
	Timeliness of Billings & Collections
Economy	Equipment Maintenance Costs
	Economies of Scale
	Resourcing Costs/Internal Chargebacks & Rates
	Tendering Process
	Budgeting Process
Safeguarding of Assets	Labour – permanent and casual
	Safeguarding & Risk Management (Restricted Access to equipment and supplies)
	Segregation of Duties
Letters patent/by-laws	Client Agreements
	Compliance to by-laws, patents, policies and procedures

## Human Resources

Evaluation category 1	Evaluation criteria
Effectiveness	Qualifications, Skills & Training
	Customer Satisfaction
	Adequacy of IT Systems
Efficiency	Union Labour Relations and CBA
	Health & Safety Management
Economy	Compensation & Benefits
	Staffing Levels and Availability
	Disaster Recovery
Safeguarding of Assets	Business Continuity & Succession Planning
	Data Integrity
	Personal Information Privacy
Letters Patent/By laws	Policies & Procedures
	Performance Measurement



## Information Technology

Evaluation category	Evaluation criteria
Effectiveness	IT Governance
	Qualifications, Skills & Training
	IT Strategy & planning
	Customer Satisfaction
Efficiency	Tendering Process
	Security
	Adequacy of IT Systems
	Outsourcing/Value for Money
Economy	Budgeting Process
	IT Procurement
Safeguarding of Assets	Staffing Levels and Availability
	Disaster Recovery
	Business Continuity & Succession Planning
	Change Management
	Data Integrity
Letters/ Patents/ By-laws	Personal Information Privacy
	Performance Measurement
	Relationship With Third Party Providers & Contract management