

Mission Statement

Freedom to Discover

Strategic Priorities

*A Community Beacon Relevant and Responsive
A Creative and Changing Organization*

HAMILTON PUBLIC LIBRARY BOARD

Regular Board Meeting Wednesday, February 20, 2013 Central Library, Board Room

5:30 p.m. Dinner
6:00 p.m. Meeting

AGENDA

1. Discussion Period

- 1.1 Budget Presentation
- 1.2 Lynden Opening
- 1.3 OLA Conference

2. Acceptance of the Agenda

3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, January 16, 2013

Attachment #3

4. Presentations

- 4.1 Living Wage – L. DuPelle/P. Takala
- 4.2 Circulation Statistics – M. Ciccone

5. Consent Items

6. Business Arising

7. Correspondence

8. Reports

- 8.1 Chief Librarians Report Attachment #8.1
Suggested Action: Receive
- 8.2 Lost Items Default Pricing Report – M. Ciccone Attachment #8.2
Suggested Action: Recommendation
- 8.3 Security Camera Report – R. Hewitt Attachment #8.3
Suggested Action: Recommendation

9. New Business

- 9.1 Audit Plan – R. Hewitt Attachment #9.1
Suggested Action: Recommendation
- 9.2 Staff Day – L. DuPelle Attachment #9.2
Suggested Action: Recommendation
- 9.3 Non-Union Compensation – L. DuPelle Attachment #9.3
Suggested Action: Recommendation
- 9.4 Our Digital World – L. Barrie Attachment # 9.4
Suggested Action: Recommendation

10. Private and Confidential

- 10.1 Labour Relations
- 10.2 Customer Issue

11. Date of Next Meeting

Wednesday, March 20, 2013
Central Library, Board Room, 5th Floor
5:30 p.m. Dinner
6:00 p.m. Meeting

12. Adjournment

Mission Statement

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HAMILTON PUBLIC LIBRARY BOARD

Inaugural and Regular Board Meeting

Wednesday, January 16, 2013

Central Library, Board Room

5:00 p.m. Dinner

6:00 p.m. Meeting

MINUTES

PRESENT: George Geczy, Jennifer Gautrey, David Simpson,
Nicolas vanVelzen, Suzan Fawcett, Kathy Baker, Wenda Tulloch,
Richard Bagdonas, Councillor Pearson, Councillor Jackson

STAFF: Karen Anderson, Paul Takala, Lisa DuPelle, Robin Hewitt,
Rebecca Raven, Lita Barrie, Michael Ciccone, Karen Hartog

GUESTS: Chris Carr, Aida Rudnik

Mr. Geczy called the meeting to order at 6:05 p.m.

1. Discussion Period

- 1.1 Mr. Geczy reported that Mr. Nakamura has resigned with regret from the Library Board. It was agreed that the Library Board request that the vacancy be reposted and selected by the Council Selection Committee.
- 1.2 It was reported that the new Lynden Branch has opened its doors to the community and to date there has been positive feedback. The official opening is scheduled for January 29th.
- 1.3 Mr. Takala provided an update regarding some recent security issues at various locations.

- 1.4 Invitation for the Concession Branch unveiling is scheduled for Tuesday, February 26th and the invitation has been emailed to Library Board members.

2. Acceptance of the Agenda

MOVED by Mr. van Velzen, seconded by Ms Gautrey,

THAT THE AGENDA BE ACCEPTED AS PRESENTED.

MOTION CARRIED.

3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, December 19, 2012

MOVED by Ms Fawcett, seconded by Mr. Simpson,

THAT THE MINUTES OF WEDNESDAY, DECEMBER 19, 2012 MEETING BE ADOPTED AS PRESENTED.

MOTION CARRIED.

4. Report of the Nominating Committee Meeting of Wednesday, January 16, 2013 and Elections

Nominating Committee members included Mr. Geczy, Ms Fawcett, Mr. van Velzen and Ms Tulloch. Mr. Geczy presented the report of the Nominating Committee from its meeting held January 16, 2013. There were no nominations from the floor.

MOVED by Mr. Bagdonas, seconded by Mr. Simpson,

THAT THE SLATE OF OFFICERS FOR THE 2013 LIBRARY BOARD BE AS FOLLOWS:

CHAIRPERSON: Jennifer Gautrey

VICE-CHAIRPERSON: Suzan Fawcett

EXECUTIVE COMMITTEE: Jennifer Gautrey
Suzan Fawcett
Nick van Velzen
George Geczy

AUDIT COMMITTEE: Jennifer Gautrey
David Simpson
Nick vanVelzen
Rich Bagdonas

SOLS REPRESENTATIVE: Wenda Tulloch

MOTION CARRIED.

5. 2013 Board Chairman Calls the Inaugural Meeting to Order

Ms Gautrey called the inaugural meeting to order at 6:15 p.m.

6. Presentations

6.1 RDA Presentation – A. Rudnik/C. Carr

Ms Rudnik and Mr. Carr provided a presentation on Resource Description Access which is a set of practical instructions for cataloguing library material.

6.2 2013 Operating Budget Presentation – G. Geczy

Mr. Geczy provided a preview of the budget presentation being presented to Council on January 24th at 10:20 a.m.

6.3 eBook Interface – M. Ciccone

Mr. Ciccone provided an overview of the new eBook interface and provided the details of the upcoming changes.

7. Consent Items

There were no consent items.

8. Business Arising

8.1 Displays and Exhibits Policy

MOVED by Ms Baker, seconded by Mr. Geczy,

THAT THE ATTACHED REVISION TO THE DISPLAYS AND EXHIBITS POLICY BE APPROVED FOR IMPLEMENTATION AND COMMUNICATION TO STAFF AND THE PUBLIC.

MOTION CARRIED.

9. Correspondence

No correspondence.

10. Reports

10.1 Chief Librarian's Report

MOVED by Ms Fawcett, seconded by Mr. van Velzen,

THAT THE CHIEF LIBRARIAN'S REPORT BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

11. New Business

11.1 SIRSI/Dynix Purchase Order

MOVED by Mr. Geczy, seconded by Ms Tulloch,

THAT THE HAMILTON PUBLIC LIBRARY BOARD APPROVE AN INCREASE TO THE SIRSIDYNIX PURCHASE ORDER IN THE AMOUNT OF \$80,000 FOR RFID IMPLEMENTATION.

MOTION CARRIED.

12. Private and Confidential

There were no private and confidential items.

13. Date of Next Meeting

Wednesday, February 20, 2013
Central Library, Board Room, 5th Floor
5:30 p.m. Dinner
6:00 p.m. Meeting

14. Adjournment

MOVED by Ms Fawcett, seconded by Mr. Bagdonas,

**THAT THE MEETING OF WEDNESDAY, JANUARY 16, 2013 BE
ADJOURNED.**

MOTION CARRIED.

The meeting was adjourned at 8:40 p.m.

Minutes recorded by Karen Hartog.

Chief Librarian's Report – February 2013

2012 Operating Budget Update

At the October 2012 Board meeting, a report was presented indicating that the library was forecasting a favourable budget variance of \$549,504. It was noted that the projection was preliminary and was subject to change given any unforeseen costs or revenues. Now that we are closer to finalizing our year end variance, our positive variance will be higher than the October projection, mainly due to gapping of staff positions. A full variance report will be brought to the board when the 2012 numbers are finalized.

Staff Dialogue around the Strategic Plan

The Library Management Team has begun a system-wide dialogue with staff around the Strategic Plan. Staff have been engaged in the discussions and a lot of ideas and honest feedback has already been generated. The first meeting was held on February 11 and the meeting will continue through March. Once all the meetings are complete we will be compiling the discussions from around the system and engaging in a system-wide analysis and prioritization. The Management Team is self-facilitating this process and collaborating to ensure the dialogue is as open and all the ideas are captured.

eBook Initiative Progress

eBound and CULC have jointly released a Request for Proposal to develop a made-in-Canada solution that will provide eBook lending capabilities to all Canadian public libraries from Canadian publishers. The proposals are due March 11, 2013. The details of a pilot project to implement this solution are being finalized by the participating libraries (HPL along with Toronto, Ottawa and Vancouver) and the participating publishers. We are planning on bringing a full report to the Board within the next couple months.

Media Items Featuring the Hamilton Public Library

Our Communications Department is monitoring media for any coverage that includes the Hamilton Public Library. Antonella Giancarlo, our Communications Officer, currently sends out emails alerts as the items appear in the media and she compiles a monthly list of the coverage. Over the next couple months we are going to distribute both to Library Board members. We will then have a discussion regarding what method(s) of

distribution Board members find most helpful and if we need to refine the process.

Ontario Library Association 2013 Super Conference

The 2013 OLA Super Conference was very well received by staff who attended. The theme “the Ultimate Library: Educate! Entertain! Empower!” provided an excellent platform to showcase the diversity and vibrancy of Ontario’s Library community. HPL staff contributed heavily to the conference program. They presented as part of six different sessions on topics including the Library’s Tech Liaison Team pilot program, eBooks, use of technology in Youth Services and the AskOn project. Lita Barrie, our Director of Digital Technology, was co-chair of the 2013 Super Conference Planning Committee.

Paul Takala
Chief Librarian



Hamilton Public Library

Date: February 20, 2013

To: Chair and Members of the Board

c.c. Paul Takala, Chief Librarian

From: Michael Ciccone, Director of Collections

Subject: **Default Charges for Lost and Damaged Materials**

RECOMMENDATIONS:

That the default amounts charged to customers for lost items are adjusted to be more in line with the worth of the item and that charges for damaged packaging and labelling are expanded. See the attached table for details.

BACKGROUND:

In the past default charges were generally set at the items initial retail cost. The new numbers take into account discounts afforded the library and the depreciation in value of the item. Also, charges for damaged packaging and labelling have been left to the discretion of front-line staff. The new list of default charges will establish a more consistent approach. We expect these changes to cause a decline in customer service issues and that fewer customers will be sent to collection agency.

Subject: Default Charges for Lost and Damaged Materials
Page 2 of 2
Date: February 20, 2023



Item Type	Current	Recommended
Adult Audio	\$40.00	\$35.00
Adult Book/Bestseller Express	\$33.00	\$20.00
Adult CD	\$22.00	\$10.00
Adult CDROM	\$50.00	\$20.00
Adult DVD/Express DVD	\$22.00	\$15.00
Adult Kit	\$38.00	\$30.00
Adult Paperback	\$8.00	\$4.00
Barcoded at CKO	\$8.00	\$4.00
Bluray	\$25.00	\$18.00
Comic	\$3.00	\$1.00
Computer Games	\$45.00	\$45.00
Graphic Novels	\$12.00	\$12.00
Interlibrary Loan	\$50.00	\$50.00
Juvenile Audio	\$23.00	\$15.00
Juvenile Book	\$20.00	\$12.00
Juvenile CD	\$22.00	\$10.00
Juvenile CDROM	\$45.00	\$20.00
Juvenile DVD/Express DVD	\$22.00	\$15.00
Juvenile Kit	\$15.00	\$15.00
Juvenile Paperback	\$7.00	\$3.00
Periodical	\$7.50	\$2.00
Playaway	\$30.00	\$25.00
Sheet Music	\$7.50	\$2.00
Daisy	\$45.00	\$25.00
Toy	\$7.50	\$2.00

Case, Container, Label	Current	Recommended
Audio Book binder	New	\$5.00
Audio Book Soundsafe (12)	New	\$7.00
Audio Book Soundsafe (22)	New	\$8.00
Audio Book Soundsafe (44)	New	\$13.00
Barcode	\$2.00	\$1.00
CD - Single	New	\$1.00
CD - Double	New	\$2.00
CD/DVD Hub Label (Void)	New	\$1.00
Cover art liner insert	\$2.00	\$1.00
DVD - Single	New	\$1.00
DVD- Double	New	\$2.00
DVD- Quad	New	\$2.00
DVD - Six capacity	New	\$3.00
Kit bag	\$2.00	\$1.00
Kit Container	New	\$12.00
Playaway Case	New	\$5.00
RFID Square Label	New	\$1.00
RFID CD/DVD X-range label	New	\$2.00



Hamilton Public Library

Date: February 20, 2013
To: Chair and Members of the Board
c.c. Paul Takala, Chief Librarian
From: Robin Hewitt, Director, Finance and Facilities
Subject: **Security Systems Review**

RECOMMENDATION:

That the attached Security Camera Policy be received for review and comment.

That the request to use up to \$325,000 funded from the Library General Development Reserve (106007) for the enhancement of library security systems be approved.

BACKGROUND:

The Library's Video Surveillance Policy was first approved in 2004 and last revised in 2010. The policy is in need of updating. Attached is a draft new policy which has been renamed Security Camera Policy. The intention is to gather feedback from the Library Board at the February meeting and then bring back an updated policy at the March Library Board meeting.

The Hamilton Public Library's 23 locations, including Central see approximately 3.8 million visits annually. Hamilton residents value the Library as a safe and welcoming environment. The demographics include a diverse population and the Hamilton Public Library provides public spaces open to all.

BRANCH	VISITS	BRANCH	VISITS
ANCASTER	154,450	MILLGROVE	5,800
BARTON	75,150	MOUNT HOPE	7,150
BINBROOK	34,050	RED HILL	197,275
BOOKMOBILE	33,600	SALTFLEET	196,825
CARLISLE	23,150	SHERWOOD	139,150
CENTRAL	1,492,575	STONEY CREEK	53,125
CONCESSION	101,075	TERRYBERRY	231,900
DUNDAS	202,300	TURNER PARK	383,500
FREELTON	9,200	VALLEY PARK	82,300
GREENSVILLE	9,150	WATERDOWN	67,550

Subject: Security Camera Report
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KENILWORTH	107,125	WESTDALE	85,925
LOCKE	75,550		
LYNDEN	15,350	SYSTEM TOTAL	3,788,275

The library system has numerous measures in which to provide a safe and secure environment for staff and customers. They include the following:

- Rules of Conduct Policy
- Internet Use Policy
- Security Camera Policy
- Health and Safety Policy
- Workplace Harassment Policy
- Workplace Violence Prevention Policy
- Joint Health and Safety Committee
- Employee Assistance Program
- Incident reporting procedures
- Emergency procedures.
- Card Access System (Keyscan)
- Building Electronic Security Systems
- Security Guard Services

The use of security cameras has been an effective part of the Library's overall strategy for years. Library staff have deployed cameras at many locations without incident or negative feedback from customers. To further reduce the risk of vandalism or security incidents at our facilities staff are looking to expand security camera coverage. This expansion would include: adding coverage to drop box areas that are often open 24 hours and have been subject to vandalism at some locations; expanding the number of branches that have coverage and improving coverage where it already exists. Expanding the number of cameras requires some investment in the digital recording devices (divars) that securely record the camera footage.

Our Central Library sees over 124,000 visitors a month. Central has seen significant growth in usage in the last 2 year, we have also seen some increase in security incidents. To enhance the safety of customers and staff at Central we have been utilizing paid duty policing for the last several months. A longer term plan is being developed. We have been working with both Police Services and the City Day Services Task force to ensure our Central Library is a welcoming and safe place for all. Part of the plan for Central involves installing more alert buttons to ensure prompt responses from security when needed.

Subject: Security Camera Report
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Date: February 20, 2023



The chart below outlines which branches currently have security cameras and keyscan swipe cards.

BRANCH	CAMERAS	KEYSCAN	SECURITY
ANCASTER		Y	
BARTON	Y	Y	
BINBROOK	Y		
BOOKMOBILE			
CARLISLE	Y		
CENTRAL	Y	Y	24/7
CONCESSION	Y	Y	
DUNDAS		Y	
FREELTON	Y		
GREENSVILLE	Y		
KENILWORTH	Y	Y	
LOCKE			
LYNDEN	Y	Y	
MILLGROVE	Y		
MOUNT HOPE	Y		
RED HILL	Y	Y	
SALTFLEET			
SHERWOOD	Y	Y	
STONEYCREEK		Y	
TERRYBERRY	Y	Y	Evenings
TURNER PARK	Y	Y	Evenings
VALLEY PARK	Lib Dispenser Only		
WATERDOWN	Y		
WESTDALE		Y	

The following outlines the additional basic security requirements necessary to bring Library's security standards to a higher level for customers and staff. Requirements may be adjusted based on greatest need.

Central

- 1 Exterior camera \$ 8,877
- 13 Additional high resolution cameras at
at Central, plus cameras at Kenilworth & Saltfleet \$ 37,320
- 2 Bosch Divars \$ 30,818
- Changes in existing cameras \$ 28,800
- 6 Alert buttons \$ 6,147
- Contingency \$ 10,983
- Total \$122,945

Branches

- 18 Exterior cameras at drop boxes \$202,055

TOTAL

\$325,000



Security Camera Policy (Draft)

Author: Chief Librarian; Director, Finance and Facilities

Board Approval Dates: December 15, 2004; April 6, 2010 (Draft February 2013)

Purpose

The Hamilton Public Library Board strives to maintain a safe and secure environment for customers and staff while protecting the individual's right to privacy.

The Library recognizes the use of security cameras at Library facilities as part of the Library's overall strategy to ensure the safety of persons and property. This policy and accompanying procedures will adhere to privacy requirements set out in the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). In addition this policy has been developed to follow the guidelines set out by the Information and Privacy Commission of Ontario.

Scope

This Policy applies to all types of camera surveillance systems, surveillance monitors and camera recording devices that are used for security purposes at Library managed facilities. This policy does not address instances where library staff record a specific event (such as a programme, or presentation).

The Chief Librarian will issue administrative procedures in support of this policy.

Policy Statement

Security camera systems are a resource used by the Hamilton Public Library Board within the Board's jurisdiction to promote the safety of clients, staff, and community members. Where deployed for that purpose, these systems help to protect library property against theft or vandalism and can assist in the identification of intruders and of persons breaking the law.

In the event of a reported or observed incident, the review of recorded information may be used to assist in the investigation of the incident. The Library will maintain control of and responsibility for the video security surveillance system at all times. Employees and service providers are expected to review and comply with this Policy, the Act, and other relevant statutes in performing any duties and functions that are related to the operation of the security camera program.

Collection of Personal Information Using a Security camera coverage System

Any recorded data of an identifiable individual qualifies as "personal information" under MFIPPA. Security cameras can be used to collect personal information about identifiable individuals. The Library has determined that it has the authority to collect this personal information in accordance with the Act. Pursuant to section 28(2) of the Ontario MFIPPA, no person shall collect personal information on behalf of the Library unless the collection is expressly authorized, used for the purposes of law enforcement or necessary to the proper administration of a lawfully authorized activity.

Planning Considerations for Security Cameras

Before deciding if a facility warrants security cameras, the Library will:

1. Conduct consultations with relevant stakeholders as to the necessity of the proposed security camera program at the facility.
2. Endeavour to ensure that the proposed design and operation of the video security surveillance system minimizes privacy intrusion.

Design, Installation and Operation of Security Cameras

When designing a security camera system and installing equipment, the following must be considered:

1. Given the open and public nature of the Library's facilities and the need to provide for the safety and security of employees and visitors who may be present at all hours of the day, the Library's security camera coverage systems may operate at any time in a 24-hour period.
2. The ability of authorized personnel to adjust cameras shall be restricted so that authorized personnel cannot adjust or manipulate cameras to overlook spaces that are not intended to be covered by the security camera coverage program.
3. Equipment shall never monitor the inside of areas where the public and employees have a higher expectation of privacy (e.g. change rooms and washrooms).
4. Reception/recording equipment must be located in a strictly controlled access area. Only authorized personnel shall have access to the controlled access area and the reception/recording equipment.
5. The annual maintenance program for reception and recording equipment will include image refocusing and lens cleaning while ensuring that the equipment is operating properly and in accordance with the manufacturers' specifications. Library staff will endeavour to promptly follow-up issues or concerns regarding the performance of equipment

Notice of Use of Video Systems

In order to provide notice to individuals that video is in use:

1. The Library shall post signs, visible to members of the public, at all entrances and/or prominently displayed on the perimeter of the grounds under security camera coverage.
2. The notification requirements of this sign must inform individuals of:
 - the legal authority for the collection of personal information;

- the principle purpose(s) for which the personal information is intended to be used;
- and the title, business address, and telephone number of someone who can answer questions about the collection.

Security Camera Monitors and Records

1. Staff at each location may be authorized to monitor real-time camera feeds as needed. Every reasonable attempt will be made to ensure security camera monitors are not in a position that enables the public and/or unauthorized staff to view them.
2. Only the Chief Librarian, Director Finance and Facilities, Branch Manager or other authorized delegates may review recorded information from the system.
3. Security camera footage will not be used to monitor customers' use of Library spaces or employee performance. Circumstances, which warrant review, will be limited to security incidents that have been reported or in the investigation of a potential crime or identifying individuals involved in a crime.
4. All storage devices will be located in a controlled-access area. Access to the storage devices will be limited to authorized personnel. Logs will be kept of all instances of access to, and use of, recorded material to enable a proper audit trail.
5. The Library will take all reasonable efforts to ensure the security of records in its control/custody and ensure their safe and secure disposal.
6. Security camera systems will be set-up to ensure regular recordings are cleared or overwritten on a regular basis. Normally, systems will be set-up to maintain records for up-to 30 days. In some cases system capacity may limit the time records are maintained. In the event that authorized staff need to remove information from the system (still images, video footage) for authorized reasons, the resulting record(s) will be maintained for at least one (1) year.
7. When records are released to law enforcement officials, where possible, authorized staff will limit the release of information about individuals not involved in the investigation. This includes but is not limited to zooming images on suspects in question, obscuring identifiable features of other individuals and limiting the time frame of video coverage provided.

Logbook - Each location must maintain a log on the Library's Intranet that records all activities related to security cameras and records. Activities include all information regarding the use, maintenance, and storage of records and all instances of access to, and use of, recorded material, including the name of the person accessing the system. All logbook entries will detail staff name, date, time and activity.

Access Requests Process

All formal requests for video records will be directed to the Chief Librarian or designate. Requests will be reviewed based on Library policy and relevant legislation including MFIPPA.

Law Enforcement Access Request - If access to a security camera coverage record is required for the purpose of a law enforcement investigation, the requesting Officer must complete the *Disclosure of Personal Information Form* and forward it to the Chief Librarian, or designate. The Chief Librarian or designate will provide the recording for

the specified date and time of the incident requested by the Law Enforcement Officer, subject to MFIPPA exemptions.

The Chief Librarian, or designate, will record the following information in the facility's log:

1. The date and time of the original, recorded incident including the designated name/number of the applicable camera and DVR;
2. The name of the authorized personnel at the time of the incident;
3. The time and date the copy of the original record was sealed;
4. The time and date the sealed record was provided to the requesting Officer;
5. Whether the record will be returned or destroyed after use by the Law Enforcement Agency.

Viewing Images - When recorded images from the cameras must be viewed for law enforcement for investigative reasons, this must only be undertaken by an authorized personnel, in a private, controlled area that is not accessible to other staff and/or visitors.

Inquiries from the Public Related to the Security camera coverage Policy

A staff member receiving an inquiry from the public regarding the Security camera coverage Policy shall direct the inquiry to the Chief Librarian's Office.

Accountability - Roles & Responsibilities

Chief Librarian - The Chief Librarian is responsible for the overall Library video security surveillance program and is responsible for the Library's privacy obligations under the Ontario Municipal Freedom of Information and Protection of Privacy Act and the policy. Will prepare annual reports to the Board on the security camera program.

Director, Finance and Facilities - The Director, Finance and Facilities or designate is responsible for coordinating security threat assessments and advising on installations. Ensures installations and operations are done in accordance with this Policy. Works with the Director of Digital Technology to ensure camera systems have appropriate security measures in place and the technical aspects of the system are periodically audited. Delegates the day-to-day operations of security camera systems to Managers. Ensures that authorized Facilities and Security staff are familiar with this Policy and that training is provided to all authorized personnel.

Branch Manager - The Branch Manager of a facility having security cameras is responsible for the day-to-day operation of the system in accordance with the Policy. Responsibilities include ensuring proper signage is in place, logs are maintained, monitors are only positioned in appropriate locations and that only authorized staff have access to system. Ensures that authorized staff are familiar with this Policy and have adequate training. Ensures problems with the system or policy violations are promptly reported.

Personnel Authorized to Operate Video Equipment

Only authorized personnel shall be permitted to operate security camera coverage systems.

Unauthorized Access and/or Disclosure (Privacy Breach)

Any Library employee who becomes aware of an unauthorized disclosure of a video record in contravention of this Policy, and/or a potential privacy breach has a responsibility to ensure that the Chief Librarian is immediately informed of the breach.

The following actions will be taken immediately in accordance with HPL's procedures for managing a privacy breach:

- Upon confirmation of the existence of a privacy breach, the Chief Librarian or designate will notify the Information and Privacy Commission of Ontario (IPC).
- HPL staff shall work constructively with the IPC staff to mitigate the extent of the privacy breach, and to review the adequacy of privacy protection with the existing Policy.
- The Chief Librarian, or designate in consultation with the Director of the department in which the breach of Policy occurred, shall investigate the cause of the disclosure with the goal of eliminating potential future occurrences.
- The departmental Director shall inform the Chief Librarian, or designate, of events that have led up to the privacy breach.
- The staff member shall work with the departmental Director and the Chief Librarian, or designate to take all reasonable actions to recover the record and limit the record's disclosure.
- The Chief Librarian, where required, shall notify affected parties whose personal information was inappropriately disclosed.
- A breach of this Policy may result in disciplinary action up to and including dismissal. A breach of this Policy by service providers (contractors) to the Library, may result in termination of their contract.



Hamilton Public Library

Date: February 20, 2013

To: Chair and Members of the Board

c.c. Paul Takala, Chief Librarian

From: Robin Hewitt, Director, Finance and Facilities

Subject: 2012 External Audit Plan

RECOMMENDATION:

That the Communication of the Audit Planning Report, prepared by KPMG Chartered Accountants for the 2012 audit, be received for information.

BACKGROUND:

KPMG's audit approach and scope of audit work for the Hamilton Public Library Board for the 2012 fiscal year is provided in the attached Communication of the Audit Planning Report. The Audit Plan communicates to the oversight body KPMG's overall audit responsibilities and audit approach in accordance with Canadian generally accepted auditing standards and the Canadian Institute of Chartered Accountants ("CICA"), which focus the audit on areas where there is greater risk of misstatement. KPMG has tailored their audit of the Library to several specific audit areas.

KPMG was appointed the City's external auditor by Council at its meeting on June 27, 2012 for a period of five (5) years covering the fiscal years from 2012 to 2016. Under the Municipal Act, the external auditor for the City is also the auditor for the Library Board.



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Hamilton Public Library Board
Attention: Mr. Paul Takala, Chief Librarian/Chief Executive Officer
55 York Blvd.
Hamilton, ON
L8N 4E4

December 7, 2012

Dear Mr. Takala,

The purpose of this letter is to outline the terms of our engagement to audit the consolidated financial statements (hereinafter referred to as the "financial statements") of the Hamilton Public Library Board ("the Entity") commencing for the year ending December 31, 2012.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Terms and Conditions form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS

The financial statements will be prepared in accordance with Canadian public sector accounting standards (hereinafter referred to as the "financial reporting framework")

The financial statements will include an adequate description of the financial reporting framework.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of financial statements in accordance with the financial reporting framework referred to above.
- (b) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (c) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (d) providing us with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.



- (e) providing us with additional information that we may request from management for the purpose of the audit.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence.
- (g) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that professional standards require that we disclaim an audit opinion when management does not provide certain written representations required.

An audit does not relieve management or those charged with governance of their responsibilities.

AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE FINANCIAL STATEMENTS

Our function as auditors of the Entity is:

- to express an opinion on whether the Entity's financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above and
- to report on the financial statements

We will conduct the audit of the Entity's financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.

Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- form an opinion on the Entity's financial statements based on conclusions drawn from the audit evidence obtained.
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance, the board of directors and/or the Council. Refer to Appendix C for a listing of such matters and the form and timing of such communication.

AUDITORS' DELIVERABLES

The expected form and content of our audit report is provided in Appendix B. However, there may be circumstances in which a report may differ from its expected form and content.



OTHER MATTERS

TAX ADVISORY SERVICES

Tax advisory services are outside the scope of this letter. These services will be subject to the terms and conditions of a separate engagement letter.

FEES

Appendix A to this letter lists our fees for professional services to be performed under this Engagement Letter.

We are available to assist the Entity, upon request, with a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

We are proud to serve the Entity and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements outlined are in accordance with the Entity requirements and if the above terms are acceptable to the Entity, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

John Pryke, CA

Partner responsible for the engagement and its performance, and for the reports that are issued on behalf of KPMG LLP, and who, where required, have the appropriate authority from a professional, legal or regulatory body
(905) 523-2288

Enclosure

cc: Board of Directors



The terms of the engagement set out are as agreed:

Name and Title _____
Mr. Paul Takala, Chief Librarian/Chief Executive Officer

Date (dd/mm/yy) _____

Appendix A – Fees for professional services

The Entity and KPMG agree to a fee based on actual hours incurred at mutually agreed-upon rates. Our fees are in accordance with our most recent successful proposal.

In subsequent periods, we will agree our estimated fees with the Entity before we commence the delivery of any service.

Appendix B – Expected Form of Report

INDEPENDENT AUDITORS' REPORT

To the Board Members of the Hamilton Public Library, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton.

We have audited the accompanying consolidated financial statements of the Hamilton Public Library Board, which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations, statement of changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Hamilton Public Library Board as at December 31, 2012, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Appendix C – Matters to communicate

Matters required to be communicated under professional standards to the appropriate level of management include:

Engagement partner

- identity and role of the engagement partner

Fraud and non-compliance with laws and regulations

- any identified fraud or any information obtained that indicates that a fraud may exist.
- any identified non-compliance with laws or regulations or suspected non-compliance.

Control deficiencies

- any significant deficiencies in the Entity's internal control that we intend to communicate to those charged with governance unless it would be inappropriate to communicate directly to management in the circumstances.
- other deficiencies in internal control that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention.

Misstatements

- if a misstatement is found in the opening balances that could materially affect the current period's financial statements.
- any accumulated misstatements, other than those that are clearly trivial. Furthermore, we request that management correct all misstatements communicated.

Appendix C – Matters to communicate (continued)

Matters required to be communicated, on a timely basis, under professional standards to those charged with governance include:

Engagement partner

- identity and role of the engagement partner

Audit approach

- an overview of the planned scope and timing of the audit.

Fraud and non-compliance with laws and regulations

- any identified fraud or suspected fraud that may exist involving management, employees who have significant roles in internal control, or others where the fraud results in a material misstatement in the financial statements.
- any matters related to fraud that are, in our judgment, relevant to your responsibilities.
- any identified non-compliance with laws or regulations or suspected non-compliance, other than when the identified or suspected non-compliance is clearly inconsequential.

Control deficiencies

- any significant deficiencies, in writing, in the Entity's internal control.

Misstatements

- any accumulated uncorrected misstatements (amounts or disclosures) other than those that are clearly trivial. Furthermore, we request all uncorrected misstatements be corrected
- if we conclude that a possible material misstatement exists that affects the prior period financial statements on which the predecessor auditor had previously reported without modification.
- if a misstatement is found in the opening balances that could materially affect the current period's financial statements.

Accounting practices

- our views about significant qualitative aspects of the accounting practices including accounting policies, accounting estimates and financial statement disclosures.

Significant difficulties

- any significant difficulties that we encountered during the audit. For example, if we conclude that management's refusal to allow us to send a confirmation request is unreasonable or when we are unable to obtain relevant and reliable audit evidence from alternative audit procedures.

Appendix C – Matters to communicate (continued)

Significant matters

- significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management (e.g., management's consultation with other accountants, major issues discussed with management prior to retention or any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or report thereon)
- other significant matters arising from the audit, if any, that, in our professional judgment, are significant to the oversight of the financial reporting process, including those significant matters arising from the audit in connection with the Entity's related parties.

Management representations

- copies of written representations requested from management.

Going concern

- events or conditions identified that may cast significant doubt on the Entity's ability to continue as a going concern.

Reporting

- any expected modifications to the audit report.
- any expected emphasis of matter or other paragraphs in the audit report.
- management refuses to remove a scope limitation in the audit.

Other information

- any revision necessary to, or material misstatement of fact included in, financial and non-financial information which is included, either by law, regulation or custom, in a document containing the audited financial statements and our audit report thereon ("other information") that we identified when reading such information, which management refuses to correct.
- our responsibilities with respect to other information in documents containing audited financial statements.
- any significant matters resulting from the procedures performed in accordance with professional standards on the other information.

Note: Significant findings from the audit will be communicated in writing if, in our professional judgment, oral communication would not be adequate.

Appendix C – Matters to communicate (continued)

Matters required to be communicated under professional standards to the board of directors and the Council include:

Fraud and non-compliance with laws and regulations

any identified non-compliance with laws or regulations or suspected non-compliance where we suspect that management or those charged with governance are involved.



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

The Terms and Conditions are an integral part of the accompanying engagement letter from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter.

1. SEVERABILITY.

If any of the provisions of this Engagement Letter are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding on the parties to the fullest extent permitted by law.

2. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province of Canada.

3. LLP STATUS.

KPMG LLP is a registered limited liability Partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or by any other person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the relevant professional bodies. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

4. DOCUMENTS AND INFORMATION.

Management's cooperation in providing us with documents and related information and agreed-upon assistance on a timely basis is an important factor in being able to issue our report. KPMG shall be entitled to share all information provided by the Entity with all other member firms of KPMG International Cooperative ("KPMG International") performing services hereunder. All work papers, files and other internal materials created or produced by KPMG during the engagement and all copyright and intellectual property rights in our work papers are the property of KPMG.

5. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS.

Personal and/or confidential information (e.g. entries into KPMG's time and billing system and into KPMG's conflicts database) collected by KPMG during the course of this engagement may be used, processed and stored outside of Canada by KPMG, KPMG International member firms performing services hereunder or third party service providers. KPMG represents to the Entity that each KPMG International member firm and third party service provider providing services hereunder has agreed or shall agree to conditions of confidentiality with respect to the Entity's information. Further, KPMG is responsible to the Entity for causing third party service providers to comply with such conditions of confidentiality, and KPMG shall be responsible to the Entity for their failure to comply and failure of each KPMG International member firm providing services hereunder to comply with its obligations of confidentiality owed to KPMG. Any services performed by third party service providers shall be performed in accordance with the terms of this Engagement Letter, but KPMG shall remain responsible to the Entity for the performance of such services and services performed by each KPMG International member firm providing services hereunder. Such personal and/or confidential information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is processed or stored, which laws may not

provide the same level of protection for such information as will Canadian laws.

6. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of this engagement.

The Entity represents and warrants that: (i) it will obtain any consents reasonably required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice of the potential processing of such personal information outside of Canada (as described in paragraph 5 above). KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

The Entity consents to KPMG sending to the Entity, its officers, directors and employees, as applicable, electronic messages (including emails) relating to KPMG products and services and other matters of interest to the Entity. The Entity, its officers, directors or employees may withdraw such consent by contacting KPMG's National Office located at Bay Adelaide Centre, 333 Bay



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

Street, Suite 4600, Toronto, Ontario M5H 2S5, Attention:
Unsubscribe; or info@kpmg.ca.

7. FEE AND OTHER ARRANGEMENTS.

KPMG's estimated fee is based on the quality of the Entity's accounting records, the agreed-upon level of preparation and assistance from the Entity's personnel, and adherence to the agreed-upon timetable. KPMG's estimated fee also assumes that the Entity's financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues, or financial reporting, internal control over financial reporting or other reporting issues. KPMG will inform the Entity on a timely basis if these factors are not in place.

Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, the Entity and KPMG agree to revise the estimated fee. No significant additional work will proceed without management's concurrence, and, if applicable, without the concurrence of those charged with governance. Upon completion of these services KPMG will review with the Entity any fees and expenses incurred in excess of KPMG's estimate, following which KPMG will render the final billing. Routine administrative expenses such as long distance telephone calls, photocopies, fax charges, printing of statements and reports, postage and delivery and secretarial and report department assistance are included in the base fees. Other disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

KPMG's invoices are due and payable upon receipt. Amounts overdue are subject to interest. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing the report and, if applicable, any consent.

Fees for any other services will be billed separately from the services described in this engagement letter and may be subject to written terms and conditions supplemental to those in this letter.

Canadian Public Accountability Board (CPAB) participation fees, when applicable, are charged to the Entity based on the annual fees levied by CPAB.

To the extent that KPMG partners and employees are on the Entity's premises, the Entity will take all reasonable precautions for the safety of KPMG partners and employees at the Entity's premises.

8. LEGAL PROCESSES.

The Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to hereby acknowledge that KPMG may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory, judicial or governmental authorities (both in Canada and abroad) to provide them with information and copies of documents in KPMG's files including working papers and other work-product relating to the affairs of the Entity, its subsidiaries and affiliates. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of KPMG's audit of the Entity, KPMG will advise the Entity of the request or order. The Entity hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from, the Entity, its subsidiaries and affiliates.

When such an authority requests access to KPMG's working papers and other work-product relating to the Entity's affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which the Entity has expressly informed KPMG at the time of delivery that the Entity asserts privilege, except where disclosure of documents is required by law. The Entity must mark any document over which it asserts privilege as "privileged". If and only if the authority requires such access to privileged documents pursuant to the laws of a jurisdiction in which express consent is required for such disclosure, then the Entity hereby provides its consent. Where privileged Entity documents are disclosed, KPMG is directed to advise the authority that the Entity is permitting disclosure only to the extent required by law and for the limited purpose of the authority's exercise of statutory authority. KPMG is directed to advise the authority that the Entity does not intend to waive privilege for any other purpose and that the Entity expects its documents to be held by the authority as privileged and confidential material (held securely, limited distribution, etc.). For greater certainty, the Entity and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and the Entity expressly relies upon the privilege protections afforded under statute and otherwise under law. The Entity agrees to reimburse KPMG, upon request, at standard billing rates for KPMG's professional time and expenses, including reasonable legal fees, incurred in dealing with the matters described above.

9. KPMG INTERNATIONAL MEMBER FIRMS.

The Entity agrees that any claims that may arise out of this engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International Cooperative ("KPMG International") member firms participating in this engagement or such third party service providers referred to in Section 5 above.



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

10. CONNECTING TO THE ENTITY'S IT NETWORK.

KPMG personnel are authorized to connect their computers to the Entity's IT Network, subject to any restrictions communicated to KPMG from time to time. Connection to the Entity's IT Network or the Internet via the Network, while at the Entity's premises, will be for the express purpose of conducting normal business activities, primarily relating to facilitating the completion of work referred to in this letter.

11. DELIVERABLES OR COMMUNICATIONS.

KPMG may issue other deliverables or communications as part of the services described in this Engagement Letter. Such deliverables or communications may not to be included in, summarized in, quoted from or otherwise used or referred to, in whole or in part, in any documents or public oral statement.

KPMG expressly does not consent to the use of any communication, report, statement or opinion prepared by us on the interim financial statements and such communication, report, statement or opinion

may not be included in, summarized in, quoted from or otherwise used in any document or public oral statement.

12. ALTERNATIVE DISPUTE RESOLUTION.

The parties hereby agree that they will first attempt to settle any dispute arising out of or relating to this Engagement Letter or the services provided hereunder through good faith negotiations in the spirit of mutual cooperation between representatives of each of the parties with authority to resolve the dispute. In the event that the parties are unable to settle or resolve their dispute through negotiation within 30 days of the dispute first arising or such longer period as the parties may mutually agree upon, such dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties may mutually agree upon shall, as promptly as is reasonably practicable, be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "Arbitration Rules"). Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the Arbitration Rules. The place of mediation and arbitration shall be the city in Canada in which the principal KPMG office that performed the engagement is located. The language of the mediation and arbitration shall be English.

AUDIT

Hamilton Public Library Board

Audit Planning Report

For the year ending December 31, 2012

KPMG LLP, Chartered Accountants, Licensed Public Accountants

kpmg.ca

Dear Board Members,

Audit planning is the cornerstone of an effective, efficient and high quality audit. In developing our audit plan, we have worked with management to obtain a common understanding of the issues and related financial reporting risks facing the Hamilton Public Library Board and have designed our audit to focus on those areas of risk.

As members of the Board, you have a significant role to play in the oversight of our audit and we welcome any and all observations you may have regarding the decisions reflected in this audit plan.

Audit quality

Audit quality is receiving an increased level of scrutiny around the world. Audit quality is at the core of everything we do at KPMG, and we believe that it is not just about providing the right audit opinion, but also the steps we take to provide that audit opinion. One component of our efforts in this area is the development and implementation of the KPMG Audit Quality Framework to help ensure that every partner and professional concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent audit opinion. We invite you to review “KPMG’s Audit Quality Framework”, summarized in the appendices of this report.

We believe this audit plan embodies our commitment to audit quality.

Reaching out to audit committees

KPMG's Audit Committee Institute (ACI) provides information, resources, and knowledge-sharing opportunities to help audit committees and directors strengthen the integrity of their financial reporting process and the quality of their corporate governance practices. The ACI's Audit Committee Roundtables are held across the country twice yearly. You are cordially invited to attend. For information on ACI's audit committee resources and roundtable registration, please visit www.kpmg.ca/auditcommittee.

We sincerely hope this Audit Planning Report is of assistance to you, and we look forward to discussing it in detail and answering any questions you may have.

Yours sincerely,

John Pryke

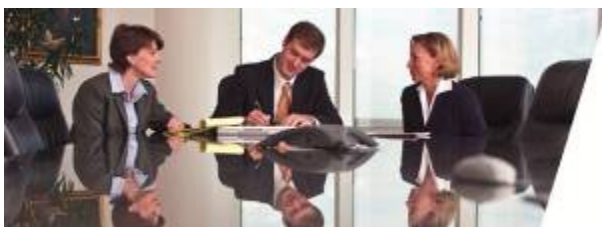


At KPMG, we are passionate about earning your trust. We take deep personal accountability, individually and as a team, to deliver exceptional service and value in all our interactions with you. Ultimately, we measure our success from the only perspective that matters—yours.



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Audit plan

We have prepared this audit plan to inform you of the planned scope and timing of the audit for the purpose¹ of carrying out and discharging your responsibilities and exercising oversight over our audit of the financial statements.

What has changed from last year

We have set out below a summary of changes that have been taken into consideration in planning the audit for the current period:

Your organization

- Appointment of Paul Takala as the new Chief Librarian.

Accounting standards

- No changes for the current year
- Upcoming changes with effective dates ranging from December 31, 2013 to December 31, 2016 include Government Transfers, Financial Instruments and Foreign Currency Translation

Auditing standards

- No changes for the current year

Annual inquiries related to risks of fraud:

Professional standards require that we ask you questions in connection with your oversight of management's process for identifying and responding to the risks of fraud:

- What are your views about fraud risks in the entity?
- How do you provide effective oversight of programs and controls to prevent, detect and deter fraud, including oversight over internal controls management has established to mitigate fraud risks?
- Are you aware of, or have you identified any instances of, actual, suspected or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?

¹ This Audit Planning Report should not be used for any other purpose or by anyone other than the Board. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Scope of the audit

The purpose of an audit is to enhance the degree of confidence of the users of the financial statements through the expression of an opinion on whether the financial statements fairly present, in all material respects, the financial position, results of operations, and cash flows of the Hamilton Public Library Board in accordance with Canadian public sector accounting standards.

In planning our audit, we have considered the level of audit work required to support our opinion, including each of the following matters:

Our responsibilities

- Our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter, which will be provided to management at a later date.

Materiality

- We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements.
- Materiality is assessed based on risk and the acceptable range for not-for-profit organizations is 0.5 to 3% of the greater of total assets or total revenues/expenses.
- We will reassess materiality at period-end to confirm whether it remains appropriate for evaluating the effects of uncorrected misstatements on the financial statements.
- We will communicate uncorrected misstatements to you, other than those that are clearly trivial. Subject to Board input, we anticipate reporting back to the Board on any corrected or uncorrected audit misstatements in excess of \$20,000.
- Should uncorrected misstatements remain, in accordance with professional standards, we will:
 - request of management and of the Board that all uncorrected misstatements be corrected.
 - communicate the effect that uncorrected misstatements, individually or in aggregate, may have on our audit opinion.

Financial reporting risks

As part of our audit planning, we identify significant financial reporting risks that, by their nature, require special audit consideration. By focusing on these risks, we are able to target our procedures and deliver a high quality audit that is both efficient and effective.

The financial reporting risks identified during our audit planning are listed below:

Presumed risk of management override of control
Risk of fraud
Summary of response to the presumed risk of management override of controls
Professional standards require certain procedures to be performed to address the presumed risk of management override of controls. We plan on performing these required procedures:
<ul style="list-style-type: none"> • test the appropriateness of journal entries • perform a retrospective review of significant estimates • evaluate the business rationale of significant unusual transactions • carry out audit procedures with an element of unpredictability
Post retirement liability
Risk of material misstatement
Completeness and accuracy of the post retirement liability and related expenses.
Summary of planned audit approach
Performing substantive procedures, including review of assumptions and application of assumptions. Access to management's experts (the actuaries) and their reports identifying the accrued benefit obligations for vested sick leave and retirement benefit liabilities.
Government grants
Risk of material misstatement
Completeness of grant revenue and accuracy of timing of revenue recognition.
Summary of planned audit approach
Performing substantive procedures over the completeness and timing of government grants

Expenses
Risk of material misstatement
Completeness, existence and accuracy of expenses and completeness of related accounts payable and accrued liabilities.
Summary of planned audit approach
Performing substantive procedures over payroll and non-payroll expenditures and related accounts payable and accrued liabilities.

Fees and assumptions

In determining the fees for our services, we have considered the nature, extent and timing of our planned audit procedures as described above. Our fees are in accordance with our most recent successful proposal. These fees are based on the assumptions described in the engagement letter in the appendices to this report.

Timing of the audit

We have discussed the key audit deliverables with management and the expected dates indicated below have been agreed upon:

Key deliverables and expected dates	
Deliverables	Expected dates
Audit planning and risk assessment procedures	November 2012
Audit Planning Report provided to the Board	February 20, 2013
Conduct year-end audit field work	Week of March 18, 2013
Audit Findings presented to the Audit Committee	June 2013
Provide audit opinion on financial statements	June 2013

Performance improvement observations

During the course of our audit, we may become aware of opportunities for improvements in financial or operational processes or controls. We will discuss any such opportunities with management and provide our recommendations for performance improvement.



Appendices

KPMG's Audit Quality Framework

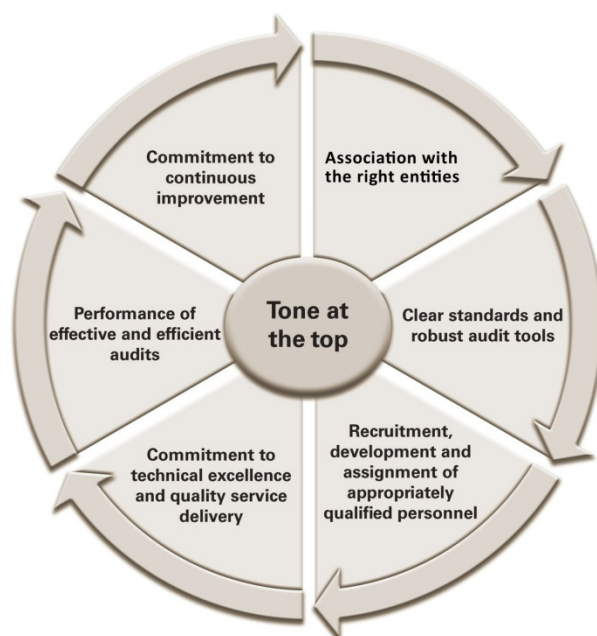
KPMG's Audit Quality Framework

Audit quality, and the respective roles of the auditor and audit committee, is fundamental to the integrity of financial reporting in our capital markets.

This is why audit quality is at the core of everything we do at KPMG. And we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To help ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

The framework comprises seven key drivers of audit quality.



The seven key drivers of audit quality

Driver	What it does	What it means to you
Tone at the top	Audit quality is part of our culture and our values and therefore non-negotiable Allows the right behaviours to permeate across our entire organization and each of our engagements	Assures you that: <ul style="list-style-type: none"> Our culture supports our promise to you of excellent service and a high quality audit—consistently You're receiving an independent, transparent, audit opinion You're receiving an efficient and high quality audit that will help you maintain investor confidence in your financial statements. Provides you with: <ul style="list-style-type: none"> An engagement team handpicked for your business needs – a team with relevant professional and industry experience An audit engagement team whose qualifications evolve as your business grows and changes An audit opinion that continues to meet your needs as a participant in the
Association with the right entities	Ethics above all Eliminates any potential independence and conflict-of-interest issues	
Clear standards and robust audit tools	A solid rule book Rigorous internal policies and guidance that help ensure our work meets applicable professional standards, regulatory requirements, and KPMG's standards of quality	
Recruitment, development and assignment of appropriately qualified personnel	People who add value Helps us attract and retain the best people and reinforces the importance of developing their talents Assigns Partners' portfolios based on their specific skill sets	
Commitment to	The right tools for the right job	

Driver	What it does	What it means to you
technical excellence and quality service delivery	Promotes technical excellence and quality service delivery through training and accreditation, developing business understanding and industry knowledge, investment in technical support, development of specialist networks, and effective consultation processes	<p>capital markets</p> <p>Assists you with:</p> <ul style="list-style-type: none"> Assessing the effectiveness and efficiency of the audit Performing your governance role with confidence.
Performance of effective and efficient audits	<p>We understand that how an audit is conducted is as important as the final result.</p> <p>A code of conduct, audit delivery tools, and internal policies and procedures that help ensure the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and our standards of quality</p>	
Commitment to continuous improvement	<p>Comprehensive and effective monitoring</p> <p>We regularly solicit feedback from the audit committees of the entities we audit. Our robust internal quality review program ensures the work of each partner is reviewed every three years. Additionally, our procedures and a sample of our audits of listed entities are reviewed by the Canadian Public Accountability Board (CPAB), the independent regulator of the accountancy profession in Canada. The Public Company Accounting Oversight Board (PCAOB) in the US also conducts an annual inspection of a sample of our audits of SEC registrants. Finally, a sample of other audits and reviews is undertaken annually by the various provincial institutes in Canada. We consider the recommendations that come from these reviews and implement actions to strengthen our policies and procedures, as appropriate.</p>	

The regulatory landscape is changing

Uncertain economic forecasts and a changing regulatory environment define today's world; reliable financial information and high-quality audits have never been more essential.

We believe that high quality audits contribute directly to market confidence and we share your objectives of credible and transparent financial reporting.

Our Audit Quality Framework is particularly relevant to Audit Committees, and we see our role in being transparent to you as a key mechanism to support you in the execution of your responsibilities.

Our commitment to quality

The independence, judgment and professional skepticism of your auditors add value to your financial statements, and we believe it is important to be transparent about the processes we follow to develop a KPMG audit report. We want you to have absolute confidence in us and in the quality of your audit.

Our own professional standards dictate technical requirements for reaching and communicating an audit opinion. And we live and abide by these requirements. We invest heavily in our quality, and the Audit Quality Framework helps ensure these investments are the right ones—that they help us continuously drive and maximize our quality improvements. But we feel it is also important that we communicate to you how we view and implement audit quality. The seven key drivers outlined here, combined with the commitment of each individual in KPMG, are meant to do just that.

KPMG member firms across the world use this audit quality framework to describe, focus on and enhance audit quality for the benefit of the entities we audit and in support of the efficacy of our capital markets.

It is our hope that sharing our vision of what audit quality means is a significant step in building confidence in the value of our audits.

Audit quality is fundamental to the way we work.

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Date: February 20, 2013
To: Chair and Members of the Board
c.c. Paul Takala, Chief Librarian
From: Lisa DuPelle, Director Human Resources
Subject: **Staff Professional Development Day**

RECOMMENDATION:

That the Hamilton Public Library Board authorize the one-day closure of the system in 2013, on a date to be determined by management, in order that a staff professional development day be held.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The Hamilton Public Library conducted a one-day training session in 2008, 2010 and 2012, plus a half-day session in 2009. All sessions have resulted in very positive feedback from staff at all levels. The purpose of the closure is to allow all staff to attend various training sessions. Staff Day is an efficient means of sharing information and allowing staff to participate in a range of professional development opportunities including seminars relating to delivering public service and discussions about the opportunities and challenges public libraries in future will face.



Hamilton Public Library

Date: February 20, 2013
To: Chair and Members of the Board
From: Paul Takala, Chief Librarian
Subject: **Non-union Compensation**

RECOMMENDATIONS

Whereas the Hamilton Public Library Board 's Non-Union Pay Equity Agreement requires the Board to match cost of living increases given by the City of Hamilton, the Board approves a cost-of-living increase for Library Management and Professional Exempt employees of 1.9% to the salary schedule effective January 1, 2013 to match the City of Hamilton increase.

That the non-union casual employees (pages and shelf readers) also receive the 1.9% increase to the salary schedule effective January 1, 2013.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The Library Board 's Non-Union Pay Equity Agreement requires the Board to match cost of living increases given by the City of Hamilton.

The proposed increases have been budgeted for in 2013. HPL will be required to follow future cost of living wage adjustments made by the City of Hamilton. City Council approved the 1.9% increase for 2013 at the January 23, 2013 meeting. Currently the City of Hamilton has approved budgeting for a 1.9% in 2014 but they are to be reviewed each year.

BACKGROUND

The Hamilton Public Library Board has a province-approved non-union pay equity plan that requires the Library Board to use City of Hamilton salaries as their comparator.

The library's non-union employees includes the Chief Librarian, all other senior administration, all branch and department managers, several professional and administrative staff positions in Human Resources whose positions are non-union because of the nature of their work and the administrative assistant for the Chief Librarian and the Board.

The casual staff (Shelf-readers and Student Pages) are non-unionized and their wage structure was adjusted in 2010 related to the change in Ontario's minimum wage. For the purposes of wage increases for this group we normally follow the City Non-Union cost of living increases.



Date: February 13, 2013

To: Chair and Members of the Board

c.c. Paul Takala, Chief Librarian

From: Lita Barrie, Director, Digital Technology

Subject: Our Digital World Server Hosting

RECOMMENDATION:

That the Hamilton Public Library Board authorizes the Chief Librarian to enter into a Memorandum of Understanding with OurDigitalWorld (ODW) to host the ODW servers in the Library's data centre.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The partnership will be an in kind agreement. The Hamilton Public Library will have access to the ODW's digital toolkit and hosting services in exchange for the costs associated with hosting the ODW servers.

BACKGROUND:

Our Digital World is a not-for-profit organization. The organization evolved from the OurOntario (www.ourontario.ca) project which was one of the most successful projects to come out of Knowledge Ontario. When Knowledge Ontario failed to obtain ongoing funding from the provincial government in 2012, OurDigitalWorld established itself as an independent not-for-profit.

OurDigitalWorld's OurOntario.ca project delivers access to the digital collections of libraries, archives, museums, historical societies, galleries, and other content providers. It was developed using open source software and incorporates enhanced social media tools.

OurDigitalWorld approached HPL to discuss a partnership that would involve the hosting of their servers in the Library's data centre. In exchange for hosting, HPL will gain access to a wide range of digitization tools and would support access to historical material. Due to our move to server virtualization a few years ago our footprint in the data centre continues to be reduced and space is available.

Subject:
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Date



Library staff has met with the OurDigitalWorld team and we believe that this partnership would be of mutual benefit. The Memorandum of Understanding would be drafted with a term limit not to exceed two years. Prior to renewal of the agreement, Library staff will review the benefits and impacts of the partnership.