

**Management’s Response to the Auditor General’s
Payment of Utility Charges**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>
1.	The Deputy City Manager & Chief Financial Officer consider assigning responsibility for hydro and natural gas accounts management to the Energy and Waste Management Office. At the same time the reallocation of resources should be evaluated.	X		Implementation of this recommendation will require additional resources. At this time we anticipate that one FTE is required to implement AG's recommendation in this report; function as a single point of contact to coordinate with Divisions and utility companies: <ul style="list-style-type: none"> - meters/accounts management - metering and access issues - billing issues - maintain accurate meter/account records - effective monitoring of billing anomalies - ongoing verification of billing usage and charges - timely enrolment of accounts - develop and deliver appropriate reports to Divisions 	Under the direction of the DCM/CFO, the EWMO will consider the recommendation and assess the effort and resource required to assume a centralized utility account management responsibility. Expected Completion Date: Dec 31, 2010

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2.	<p>The Deputy City Manager & Chief Financial Officer develop a control framework to ensure the cost effective administration of hydro and natural gas invoice payments. Such framework should include, but not be limited to the following:</p> <p>a) a clear definition of the roles and responsibilities of the Accounts Payable Unit, the Energy and Waste Management Office and City divisional managers. The roles and responsibilities to include areas such as processing hydro and natural gas invoices, including following up on billing exceptions, dispute resolution and reporting protocols, as required</p>	X		<p>Corporate Accounts Payable and the Energy & Waste Management Office believe that hydro and natural gas invoices are currently managed with payment controls, however agree that developing an account management control framework would be beneficial.</p>	<p>The EWMO, in consultation with Accounts Payable and City Divisions, will develop a centralized account management control framework to support processes and procedures pertaining to the administration of hydro and natural gas accounts. Such procedures and processes will be communicated corporately.</p> <p>Expected completion date: December 31, 2010</p>

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	b) the establishment of protocols for effecting and reporting on energy metering changes, including new meter account set ups, de-activations, replacements, relocations and record keeping requirements				
	c) procedures for ensuring ongoing verification of hydro charges relating to street lighting by a staff person familiar with the operations			This recommendation belongs with 5.	
	d) reporting requirements for the Energy and Waste Management Office to communicate energy consumption fluctuations for divisional follow-up as required.			The Energy and Waste Management Office's report format can be tailored to individual Division requirements.	The EWMO will consult with Divisions and make appropriate changes to the report format. To completed by Dec 31, 2010

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3.	The Deputy City Manager and Chief Financial Officer review and make appropriate revisions to Accounting Services' Cost Centre Billing Procedure to include the revised utility payment control framework.	X		Corporate Accounts Payable has ensured that no utilities payments have been made to Toronto Hydro without internal charging ownership notification to city users.	A specific utility payment procedure will be created and implemented by Accounting Services, Corporate Accounts Payable to support the centralized account management role by the EWMO as per recommendation 2. Expected completion date: December 31, 2010
4.	The Executive Director of Facilities & Real Estate Division take appropriate steps to ensure the Energy and Waste Management Office maintains a complete and accurate database on all hydro and natural gas meters billable to City divisions. The database be updated as required.	X		All ten Toronto Water sampled meters mentioned on page 13 in the report were located and photographs were provided as requested.	The EWMO will coordinate with the Utilities and divisions on the verification of hydro and natural gas meter information. Expected completion date: December 31, 2011

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5.	The City Manager assign one City unit responsibility for developing and implementing a process for updating and verifying street lighting related hydro costs.	X			<p>The City Manager will assign responsibility for the implementation of this recommendation to the Transportation Division.</p> <p>The EWMO will coordinate with the assigned division a process to update the corporate energy record.</p>
6.	The Executive Director of Facilities & Real Estate Division take necessary steps to complete, on a sample basis, ongoing recalculations of major hydro and natural gas bills for accuracy and consider using the specific software currently used by the TTC.	X			<p>The EWMO will review the TTC's bill verification software and will incorporate spot recalculations in the administration procedures pertaining to the management of hydro and natural gas accounts.</p> <p>Expected completion date: December 31, 2010</p>
7.	The Executive Director of Facilities & Real Estate Division to ensure that identified energy billing anomalies are promptly analyzed and satisfactorily resolved with the provider on a timely basis. Further, a system be developed to track outstanding refund requests.	X		<p>The Energy and Waste Management Office's energy accounting software flags consumption/cost anomalies. The criterion for initiating a flag will be refined to eliminate nuisance flags.</p>	<p>The EWMO will establish as a priority the timely review of billing anomalies.</p> <p>Expected completion date: December 31, 2010</p>

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8.	The Executive Director of the Facilities & Real Estate Division take appropriate steps to expedite enrollment in the consolidated billing services plan all hydro invoices, and request from Toronto Hydro data in a format that facilitates input to the Energy and Waste Management Office's energy meter database.	X		Hydro invoices in which detailed billing information is required by divisions cannot be consolidated. The recommendation is also dependent upon Toronto Hydro being able to provide data in a format that facilitates input to the Energy and Waste Management Office's energy meter database	Energy and Waste Management Office has a process in place to include all hydro bills in the consolidated billing system where possible. The EWMO will request Toronto Hydro to provide a revised format for energy data. Expected completion date: December 31, 2010.
9.	The Executive Director of the Facilities & Real Estate Division take appropriate steps to minimize duplication of energy consumption review efforts performed by City staff on behalf of City agencies such as the TTC and the Toronto Community Housing Corporation.	X		The Energy and Waste Management Office believes very little if any duplication is occurring. The EWMO needs to check all data to ensure the integrity of its database.	The EWMO will take steps to ensure no duplication occurs.

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10.	The Deputy City Manager and Chief Financial Officer assign responsibility for the management of cable television services. The specific responsibilities include:	X			
	(a) the renegotiation of a corporate cable television service discount plan for all users				
	(b) the maintenance of an inventory of cable television plans				Facilities and Real Estate in consultation with divisions will assess the feasibility of centralizing the management of cable services in the City. Expected completion date: June 30, 2010.
	(c) the rationalization of such cable television plans commensurate with requirements.				

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11.	The City Manager forward this report to the City’s major Agencies, Boards and Commissions in order to ensure that the issues raised in this report are addressed by them where appropriate.	X			