



**AUDITOR GENERAL'S
REPORT
INFORMATION ONLY**

2013 Audit Work Plan – Revised Appendix

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| Date: | November 2, 2012 |
| To: | City Council |
| From: | Auditor General |
| Wards: | All |
| Reference Number: | |

SUMMARY

The Auditor General's 2013 Annual Work Plan was tabled at the October 25, 2012 meeting of Audit Committee. It was subsequently noted that there was an omission from Appendix 1 of that report. A revised Appendix 1 is attached.

Appendix 1 as submitted to Audit Committee omitted the Review of Financial Planning, Analysis and Reporting System Project (FPARS). The project was intentionally left off the Work Plan as it was expected to be completed and submitted to the October 25 meeting of Audit Committee. Some last minute issues in the project prevented its completion for the meeting and as such, it should have been added back to the Audit Work Plan as a project in progress. This was not done and this omission is corrected in the attached revised Appendix 1.

Financial Impact

There is no financial impact resulting from receipt of this report.

CONTACT

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SIGNATURE

Jeff Griffiths, Auditor General

ATTACHMENT

Appendix 1(Revised): Auditor General's 2013 Audit Work Plan – Audits in Progress
and New Audit Projects

**AUDITOR GENERAL'S 2013 AUDIT WORK PLAN –
AUDITS IN PROGRESS AND NEW AUDIT PROJECTS**

1. AUDITS IN PROGRESS

The following audit reports are near completion and will be submitted to Audit Committee early in 2013:

- Operational Review of Municipal Licensing and Standards Investigation Services
- Review of Community Partnership and Investment Program
- Audit of Accounts payable
- Toronto Transit Commission - Operational Review of Wheel Trans
- Review of Financial Planning, Analysis and Reporting System Project (FPARS)

The following reviews commenced late in 2012 and are still in progress. They will be completed during 2013:

| Audit Projects | Project Description |
|---|--|
| Operational review of Toronto Building inspection process | This review will focus on operational controls of Toronto Building's inspection process. |
| Operational Review of Children Services | The scope of the audit will likely include the eligibility approval process. |
| Review of efficiency and effectiveness of Service Agreements at Employment and Social Services Division | Review of the contracts with various service providers and monitoring of related performance. |
| Operational Review of Facilities & Real Estate - Appraisal services unit. | This will include review of policies, procedures and practices used in providing appraisal reviews on development projects, sale of surplus land and City property. |
| Review of Construction Contracts - City Divisions and/or Agencies and Corporations | This audit will focus on selected construction contracts and will review contract award, monitoring, payment and contract completion process. |
| Operational review of Fire Services Division | This review will focus on Fire Services fleet acquisition, utilization and maintenance. |
| Transportation Services - Summer Road Maintenance | Transportation services undertake major construction and renovation projects. This audit will focus on selected contracts and will review contract award, monitoring, payment and contract completion process. Our review will also include cost of utility cuts and third party recoveries where appropriate. |

2. NEW AUDIT PROJECTS

New audit projects planned for 2013 are provided in the table below.

| Audit Project | Project Description |
|---|--|
| Operational Review of Fleet Services | The purpose of the review is to ensure that the City's fleet is managed with due regard for value for money. |
| PAN-AM Games - Review of Controls on Management of Capital Projects | The objective of this review is to assess the effectiveness of practices implemented to ensure that adequate oversight, internal control, performance measurement and reporting systems are in place to support the management and administration of capital projects related to the Pan-American Games. |
| Post-implementation Audit of Awarded Garbage Collection Contract | City Council in 2011 requested the Auditor General to consider conducting a post implementation review of the garbage collection contract in order to evaluate whether or not customer service targets were met and savings were achieved. This review will take place towards the latter part of 2013. |
| Review of City's Telecommunications Expenses and Controls | The objective of this review is to assess internal controls over the City's voice and data services payments and management practices related to telecommunication service contracts. |
| Use of Professional Services by the City (Exclude Legal Services) | 2011 professional services expenses were in the range of \$146 million. The purpose of the review is to ensure that professional services are appropriately managed. |
| Legal Services - Review of Controls of Outsourced Professional Services | The review will include an analysis and evaluation of expenditures pertaining to external legal services |
| Review of IT Help Desk Support Operations | The review will focus on the management and control of desktop and software support with due regard for value for money |
| Review of Controls on Social Housing Provider Subsidies | The review will assess the effectiveness of controls and monitoring of subsidies provided to social housing providers, (excluding Toronto Community Housing Corporation). |

| Audit Project | Project Description |
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| Review of EMS Operational controls over Payroll and Scheduling | There have been a number of complaints involving payroll variances received through the Fraud and Waste Hotline Program. The purpose of this audit is to assess the effectiveness of controls and monitoring over payroll processes to ensure payments to employees are accurate, complete and authorized. The adjustments required, if any, are made on a timely basis. |
| Management of Construction Warranties | The objective of this review is to assess processes and controls regarding construction deficiencies identified during the warranty period to ensure the City is not charged for work covered under a warranty. |
| Operational Review of Build Toronto | The audit of Build Toronto was requested by Budget Committee. The extent of the review, if any, has not been determined yet. |
| Operational Review of Invest Toronto | The audit of Invest Toronto was requested by Budget Committee. The extent of the review, if any, has not been determined yet. |
| Review of Controls on City Fleets' Fuel Usage | The review will implement continuous controls monitoring over appropriate aspects of fleet operations. Specific issues will be determined following a more detailed analysis. Items under consideration include fuel usage, maintenance costs and vehicle utilization. |
| Review of Absenteeism for Management and Non-Union staff | This review will document and analyse changes in management and non-union absenteeism since the full implementation of the short term disability plan in 2008. |
| TTC Bus Fleet Maintenance | The review of TTC bus maintenance will include an evaluation as to whether or not the fleet is being managed appropriately and in accordance with best practices. |
| Toronto Police Collection of Demographic Data | The project was requested by the Police Services Board. The Auditor General was requested to review and analyze police statistics to establish baseline data showing the pattern of contacts between the police and members of the community |

| Audit Project | Project Description |
|--|--|
| Follow-up on Outstanding Recommendations from Previous Audit Reports | This is the Auditor General’s annual review of the implementation status of outstanding audit recommendations from previous audit reports issued to the City and its Agencies and Corporations. |
| Continuous Controls Monitoring Reports | The purpose of this project is to develop certain key control monitoring reports using data analysis tools to identify significant emerging trends, and to prevent and detect fraud. We plan to extend the project to major Agencies and Corporations. |