



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Auditor General's Status Report on Outstanding Audit Recommendations for City Agencies and Corporations

Date:	June 11, 2013
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

This report provides information regarding the implementation status of audit recommendations contained in various reports issued by the Auditor General to City agencies and corporations. On an annual basis the Auditor General reviews the implementation status of outstanding audit recommendations and reports the results of the review to City Council through Audit Committee.

Since July 1, 2007 the Auditor General has issued various reports to City Agencies and Corporations containing a total of 173 recommendations. Since that time six of these recommendations have been identified by the Auditor General as no longer relevant. These recommendations are no longer relevant as reorganizations and changes in business practices and service levels have rendered them no longer applicable. Consequently, 167 of the 173 recommendations continue to have relevance.

The results of our review indicate that on a combined basis, City agencies and corporations have implemented 71 per cent or 118 of the 167 recommendations made by the Auditor General from July 1, 2007 to June 30, 2012.

Continued efforts to implement outstanding recommendations will provide additional benefit to the City through cost savings, additional revenue and enhanced service delivery.

RECOMMENDATION

The Auditor General recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

The recommendation in this report has no financial impact.

ISSUE BACKGROUND

In accordance with the Auditor General's 2013 Work Plan, we have completed a review of the implementation status of audit recommendations issued by the Auditor General's Office for City agencies and corporations.

On an annual basis, the Auditor General provides a listing of outstanding audit recommendations to management. Management responds with information detailing the action taken on recommendations implemented as well as progress made on those not fully implemented.

The Auditor General reviews information provided by management to determine the accuracy of management assertions related to each recommendation. The results of this review are communicated to the board of the agency or corporation and subsequently to Council through Audit Committee.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

COMMENTS

Results of the Auditor General's Review

Table 1 below includes the status of recommendations contained in reports issued by the Auditor General's Office to City agencies and corporations during the five year period from July 1, 2007 to June 30, 2012.

Table 1: Status of Recommendations issued from July 1, 2007 to June 30, 2012

Entity	Total Recommendations	Implemented	Not Fully Implemented	No Longer Relevant
Toronto Parking Authority*	16	10	4	2
Toronto Police Service*	37	28	8	1
Toronto Community Housing Corporation*	80	40	37	3
Toronto Public Health	12	12	--	--
Toronto Transit Commission	15	15	--	--
Toronto Zoo**	13	13	--	--
Total	173	118	49	6

*Reports followed up in this reporting cycle

** One outstanding recommendation in the audit report entitled “Toronto Zoo Construction Contracts Review – Tundra Project” directed to City management is now fully implemented and included in the City follow-up report. A separate follow-up report was not submitted to the Toronto Zoo Board.

Follow-up reports tabled with respective boards are included in the appendices to this report. These reports provide further detail regarding their respective recommendations and current status. On a combined basis, City agencies and corporations have implemented 71 per cent of the recommendations made by the Auditor General since July 1, 2007.

Recommendations reported as implemented in this report will not be reported to Council in the future. All recommendations reported as not fully implemented will be included in subsequent follow-up reviews until fully implemented.

Noteworthy Recommendations Implemented

Toronto Community Housing Corporation (TCHC)

The Auditor General issued a total of five reports during 2011 and 2012. These reports included 80 recommendations and have resulted in significant changes to the day-to-day operating environment at the TCHC. The benefits of these changes have had profound and far-reaching effects that cannot all be quantified in financial terms.

The Auditor General issued a follow up report entitled Toronto Community Housing Corporation - Results of Follow-up of Previous Audit Recommendations to the Toronto Community Housing Corporation Board in April 2013. The Board forwarded this report to the City’s Audit Committee for information at the May 29, 2013 meeting. The report is available on the City’s web site at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.AU11.2>

A summary of cost savings as a result of implementation of recommendations in the report are as follows:

- TCHC staff provided preliminary estimates that new Procurement Policy, Procedures and Protocols adopted by TCHC in October 2012, would achieve savings at the upper end of the range of \$4 million to \$10 million, initially reported by the Auditor General. TCHC staff have been tracking such savings and advise that they have currently achieved annual savings of \$5.4 million.
- Transfer of ownership and management of TCHC fleet to the City has resulted in savings estimated at \$2.6 million over a five-year period, or \$520,000 annualized savings. In addition, following a fleet needs analysis, TCHC reduced its fleet by 30 vehicles. We estimate that a reduction of 30 vehicles would result in approximately \$380,000 annual savings in operating and capital expenses.
- Closer scrutiny of employee expenses and improved controls have resulted in expenditure reductions of approximately \$1 million annually.

Toronto Police Service, Parking Enforcement Review

The objective of this review was to assess controls over the issuance, cancellation and processing of parking tags at the Parking Enforcement Unit of the Toronto Police Service.

The audit report contained eight recommendations related to improvements in the management, administration and enforcement of the Provincial Offences Act, Part II and City parking by-laws.

Our follow-up results indicate all recommendations have been implemented. Our review identified that actions taken by the Police Chief have resulted in combined additional revenue and savings of approximately \$660,000. The majority of this amount is a result of reduction in parking tag cancellations due to errors and delays.

Our report also contained recommendations requesting the Province to amend certain legislative requirements to strengthen parking enforcement. The City has initiated communication with the Province on the amendment of legislation to allow for the following:

- Allowing Parking Enforcement Officers to enforce expired license plate violations
- Eliminating the requirement for entering license plate expiry dates on parking tags
- Forwarding parking tags to drive-away vehicle owners.

The requested amendments will enable stricter parking enforcement and provide a greater incentive to comply with parking by-laws. Stricter parking enforcement by-laws could also result in potential annual additional revenue of approximately \$5 million.

Detailed results of our follow-up review are enclosed as Appendix 1.

CONTACT

Alan Ash, Director, Auditor General's Office

Tel: 416-392-8476, Fax: 416-392-3754, Email: AAsh@toronto.ca

Jerry Shaubel, Director, Auditor General's Office

Tel: 416-392-8462, Fax: 416-392-3754, Email: JShaubel@toronto.ca

SIGNATURE

Jeffrey Griffiths, Auditor General

13-AAS-05

ATTACHMENTS

- Appendix 1: Toronto Police Services Board, Results of Follow-up of Previous Auditor General Audit Recommendations
- Appendix 2: Toronto Parking Authority, Results of Follow-up of Previous Audit Recommendations



**AUDITOR GENERAL'S
REPORT
INFORMATION ONLY**

**Toronto Police Service – Results of Follow-up of Previous
Audit Recommendations**

Date:	April 19, 2013
To:	Toronto Police Services Board
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

This report provides the results of our 2013 audit recommendation follow-up process. The purpose of the follow-up process is to determine the implementation status of audit recommendations made by the Auditor General to the Toronto Police Services Board.

Since 1999, the Auditor General has provided 14 audit reports to the Toronto Police Services Board. Based on results of previous audit follow-up processes, recommendations from the following audit reports have all been addressed:

- Court Services Review, 2008
- Fleet Review, 2008
- Enterprise Case and Occurrence Processing System (eCOPS) Project Review, 2005
- Revenue Controls Review, 2002
- Vehicle Replacement Policy, 2000
- Review of Controls Relating to Overtime and Premium Pay, 2000
- Review of Parking Enforcement Unit, 2000

In addition, the Auditor General conducted an independent review of police investigation of sexual assaults in 1999, and two subsequent follow-up reviews in 2004 and 2010 respectively. These reviews are:

- Review of the Investigation of Sexual Assaults, Toronto Police Service, 1999
- The Auditor General's Follow-up Review on the October 1999 Report, 2004
- The Auditor General's Second Follow-up Review on the Police Investigation of Sexual Assaults, 2010

Outstanding recommendations from the 2004 and 2010 Follow-up Reviews on the Police Investigation of Sexual Assaults were included in the 2013 annual audit recommendation follow-up process.

The 2013 follow-up process included the following audit reports to the Board:

- Follow-up Review on the October 1999 Report Entitled: Review of the Investigation of Sexual Assaults, 2004
http://www.toronto.ca/audit/2004/followupreview_1999_investigation_sexual_assaults_tps.pdf
- The Auditor General's Second Follow-up Review on the Police Investigation of Sexual Assaults, 2010
http://www.toronto.ca/audit/2010/report_april9.pdf
- Review of Police Training, Opportunities for Improvement, 2006
http://www.toronto.ca/audit/2006/police_training_main_report_oct2006.pdf
- Police Paid Duty – Balancing Cost Effectiveness and Public Safety, 2010
<http://www.toronto.ca/audit/2011/policeservice-mar23.pdf>
- Review of Integrated Records and Information System, 2011
<http://www.toronto.ca/audit/2011/integrated-recordsaug26.pdf>
- Parking Enforcement Review, 2011
http://www.toronto.ca/audit/2011/parkingenforcement_review.pdf

A total of 31 audit recommendations from the above six reports were included in the 2013 follow-up process. Certain of these recommendations are longer term in nature and require additional time to achieve full implementation.

Based on our 2013 follow-up results, one of the recommendations in the paid duty audit report was no longer applicable. Of the remaining 30 audit recommendations for the 2013 follow-up, 21 recommendations were determined to have been fully implemented and 9 recommendations were partially implemented.

Attachments 1 and 3 list audit recommendations that are fully implemented and recommendations no longer applicable. Audit recommendations not fully implemented, as well as management's comments and action plans, are included in Attachment 2. These outstanding recommendations will be reviewed in each future year until they are determined to be fully implemented.

Financial Impact

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

ISSUE BACKGROUND

The Auditor General conducts an annual follow-up process to determine whether management has taken appropriate action to implement recommendations contained in previously issued audit reports. The follow-up process is part of the Auditor General's Annual Work Plan.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

COMMENTS

The Auditor General's follow-up review process requires that management provide a written response on the implementation status of each recommendation contained in the audit reports. Where management indicated that a recommendation was not implemented, audit work was not performed. For those recommendations noted by management as implemented, audit staff conducted additional analysis and testing, and reviewed relevant information to verify management assertions.

Our verification is based on audit work conducted during the follow-up period usually between March and April each year. For recommendations verified as fully implemented by audit staff, no further work will be conducted on those recommendations in subsequent audit follow-up cycles. Ongoing implementation and maintenance of the audit recommendations, such as policy and procedure enhancements or improved controls, will rely on management's continuous efforts beyond the audit follow-up process. The Auditor General may decide to initiate a new review on subject matter previously audited. Table 1 outlines audit reports issued to the Toronto Police Services Board since 1999 that no longer have outstanding audit recommendations.

Table 1 Previous Audit Reports with No Outstanding Recommendations

Report Title and Date	Total	Previously Reported	
		Fully Implemented	Not Applicable
Court Services Review (June 12, 2008)	5	5	-
Fleet Review (September 26, 2008)	4	4	-
Enterprise Case and Occurrence Processing System (eCOPS) Project Review (April 29, 2005)	32	31	1
Revenue Controls Review (January 8, 2002)	5	5	-
Vehicle Replacement Policy (June 21, 2000)	3	-	3
Review of Controls Relating to Overtime and Premium Pay (January 6, 2000)	16	15	1
Review of Parking Enforcement Unit (January 4, 2000)	27	26	1
Total	92	86	6

Table 2 outlines the results of our current follow-up review of outstanding recommendations in the six audit reports to the Toronto Police Services Board.

Table 2 Results of the Current Follow-up Review

Report Title and Date	Total	Previously Reported		Results of Current Review		
		Fully Implemented	Not Applicable	Fully Implemented	Not Fully Implemented	Not Applicable
The Auditor General's Follow-up Review on the October 1999 Report Entitled: "Review of the Investigation of Sexual Assaults, Toronto Police Service" (October, 2004)	25	22	-	3	-	-
The Auditor General's Second Follow-up Review on the Police Investigation of Sexual Assaults (April 9, 2010)	3	2	-	1	-	-
Review of Police Training – Opportunities for Improvement (October 26, 2006)	39	34	1	3	1	-
Police Paid Duty – Balancing Cost Effectiveness and Public Safety (December 1, 2010)	10	2	-	3	4	1
Review of Integrated Records and Information System (August 26, 2011)	7	-	-	3	4	-
Parking Enforcement Review (October 3, 2011)	8	-	-	8	-	-
Total	92	60	1	21	9	1

The 2013 follow-up review results of the above six audit reports are summarized as follows:

The Auditor General's Reviews of Police Investigations of Sexual Assaults

Since 1999, the Auditor General has conducted three independent reviews of police investigations of sexual assaults. These three reviews are:

- Review of the Investigation of Sexual Assaults, Toronto Police Service, 1999
- The Auditor General's Follow-up Review on the October 1999 Report, 2004
- The Auditor General's Second Follow-up Review on the Police Investigation of Sexual Assaults, 2010

The results of the initial 1999 review and the two subsequent follow-up reviews are provided in Table 3.

Table 3 Results of Follow-up Reviews of Recommendations Contained in the 1999 Review of the Investigation of Sexual Assaults

Audit Follow-Up Review	Recommendations for Follow-Up	Results of Follow-Up Review			Total for the Next Follow-up Review
		Fully Implemented	Not Fully Implemented	New Recommendations	
Review of the Investigation of Sexual Assaults, 1999	n/a	n/a	n/a	n/a	57
First Follow-Up Review, 2004	57	32	25	0	25
Second Follow-Up Review, 2010	25	19	6	3	9

A summary of the three reviews and the resulting recommendations are provided in the following:

Initial 1999 Review and 2004 First Follow-up Review

In 1999, the Auditor General issued a report entitled “Review of the Investigation of Sexual Assaults – Toronto Police Service”, which contained 57 recommendations pertaining to a wide range of issues in police investigation of sexual assaults.

In 2004 the Auditor General conducted a follow-up review and found that the Police Service had not addressed all of the original 57 audit recommendations. The 2004 follow-up review report contained 25 recommendations. In considering the Auditor General’s follow-up review report, the Police Services Board requested the Auditor General to conduct a further follow-up review.

2010 Second Follow-up Review

In June 2010 the Police Services Board received the following two reports issued by the Auditor General entitled “The Review of the Investigation of Sexual Assaults – A Decade Later, Toronto Police Service” and “The Auditor General’s Second Follow-up Review on the Police Investigation of Sexual Assaults.” The first report provided an overview of the changes made by the Police Service over the last 10 years on handling sexual assault investigations.

The Auditor General’s Second Follow-up Review found that overall the Police Service has made significant progress to address issues raised in the 2004 follow-up report. In summary, 19 of the 25 recommendations made in 2004 were found to be fully implemented. At the time of the review, work was in progress to address the remaining six recommendations. The review also resulted in three new recommendations requiring attention by the Police Service. A total of nine recommendations resulted from the 2010 Second Follow-up Review.

Incorporation into the Auditor General's Annual Follow-Up Process

In order to determine the implementation status of the nine remaining recommendations, the Auditor General included these recommendations in the annual recommendation follow-up process. This was indicated in the 2010 audit report to the Board.

As a result, all of the nine recommendations were included in the Auditor General's 2012 annual follow-up process. Of the nine recommendations assessed in 2012, five were determined to be fully implemented and four partially implemented.

2013 Annual Follow-Up Results

The four partially implemented recommendations were assessed during the current 2013 audit follow-up process. All four recommendations were determined to be fully implemented as of April 2013. These recommendations are outlined in Attachment 1.

Based on the results of the 2010 second follow-up review and the 2012 and 2013 annual follow-up processes, all of the audit recommendations from the initial 1999 audit and the two subsequent follow-up reviews have been verified as fully addressed or implemented by the Police Service as of April 2013.

Review of Police Training – Opportunities for Improvement – Toronto Police Service

In January 2007 the Auditor General issued a report entitled “Review of Police Training – Opportunities for Improvement” to the Toronto Police Services Board. The Board adopted the 39 recommendations included in the report and approved a motion for the Auditor General to perform a follow-up review. The results of the first comprehensive follow-up review process for this audit were provided to the Toronto Police Services Board in June 2010.

The results of this follow-up process found only one audit recommendation outstanding which relates to a review of applicable fees to be charged to those not affiliated with the Toronto Police Service attending training at the college. These fees would recover the costs associated with provision of training at the Toronto Police College. The Service will be submitting a report on this matter to the Toronto Police Services Board. The outstanding recommendation is listed in Attachment 2 to this report.

Police Paid Duty – Balancing Cost Effectiveness and Public Safety

In response to the request of the Toronto Police Services Board, the Auditor General conducted a review of the police paid duty system and issued a report entitled “Police Paid Duty- Balancing Cost Effectiveness and Public Safety.” The report was adopted as amended by the Board at its April 7, 2011 meeting.

The audit report contained ten recommendations to improve the operating effectiveness and efficiency of the system, and officer compliance with police paid duty policies. Two of the 10 recommendations were verified as fully implemented during our 2012 follow-up process, and the remaining eight recommendations were assessed in 2013.

At the beginning of the 2013 follow-up process, police staff reported that of the eight outstanding recommendations, three have been fully implemented, four were in progress, and one recommendation was no longer applicable.

We concur with the “not applicable” status of recommendation Number 2, and verified that three recommendations have been fully implemented as reported by the Police Service. The fully implemented recommendations are listed in Attachment 1. Partially implemented recommendations along with management comments and action plans are listed in Attachment 2, and the one “not applicable” recommendation is shown in Attachment 3. All four partially implemented recommendations will be included in the next follow-up cycle.

In adopting the audit report and recommendations, the Police Services Board at its April 2011 meeting adopted additional motions regarding audit recommendation Number 9 which pertains to paid duty requirements at special events. City Council at its June 2011 meeting also adopted a motion pertaining to audit recommendation Number 4 regarding paid duty system administrative costs.

Both audit recommendation Number 4 and Number 9 were reported by management as partially implemented as of April 2013. According to staff, the Service has initiated a thorough review of the paid duty system to address the audit recommendations and identify other opportunities to improve efficiency. As a result, the implementation status of audit recommendation Number 4 and Number 9 and other efficiency improvements included in the motions by the Police Services Board and City Council will be assessed in the Auditor General’s 2014 follow-up process.

Review of Integrated Records and Information System

In response to the April 7, 2011 Toronto Police Services Board request, the Auditor General conducted a review of certain actions taken to date regarding the development and implementation of the Police Integrated Records and Information System (IRIS). The report was adopted by the Board at its September 14, 2011 meeting.

The audit report contained seven recommendations for action required throughout the development and conclusion of the project particularly relating to the realization of benefits and the need to quantify, track and report expected benefits. Of the seven recommendations, three were determined to be fully implemented and four partially implemented. The four outstanding audit recommendations along with management’s comments are listed in Attachment 2.

Parking Enforcement Review

Our 2009 Audit Work Plan included a systematic review of major City revenue streams. We selected parking tag revenues because of the significant amount of funds involved. Our review was divided into two parts:

- Processing of parking tag information and the collection of parking tag revenue by the City’s Revenue Services Division.

- Issuance of parking tags by the Toronto Police Service through its Parking Enforcement Unit and Municipal Law Enforcement Officers.

The first report related to processing of parking tags and revenue collection was considered by City Council at its meeting of February 2010 and is available at www.toronto.ca/audit/reports2010_jan27.htm.

The second report related to parking enforcement and issuance of parking tags was adopted by the Toronto Police Services Board at its October 20, 2011 meeting. The report and board minutes are available at: <http://www.tpsb.ca/FS/Docs/Minutes/2011/>.

The second audit report contained eight recommendations pertaining to improvements to the management, administration and enforcement of the Provincial Offense Act II and City parking by-laws. Of these eight recommendations, four were addressed to the Police Chief and the remaining four to City staff.

Our follow-up results indicate that all eight recommendations have been implemented as of April 2013. Actions taken by the Toronto Police Service have improved processes resulting in savings of approximately \$660,000. The majority of the savings are a result of reductions in parking tag cancellations due to errors and delays. The number of tag cancellations due to errors and delays reduced by 14,300 in 2012 when compared with 2010. The estimated value of these tags is approximately \$580,000. In addition, the Parking Enforcement Unit revised its process to better monitor errors in manual tags that resulted in reduction of staff data entry time and resources by approximately \$80,000.

Our report also contained recommendations requesting the Province to amend certain legislative requirements to strengthen parking enforcement. The City has initiated communication with the Province on the amendment of legislation to allow for the following:

- Allowing Parking Enforcement Officers to enforce expired license plate violations
- Eliminating the requirement for entering license plate expiry dates on parking tags
- Forwarding parking tags to drive-away vehicle owners.

The requested amendments will enable stronger parking enforcement and provide a greater incentive to comply with parking by-laws. Stronger parking enforcement by-laws could also result in potential annual additional revenue of approximately \$5 million.

Next Steps

The results of this follow-up on outstanding audit recommendations will be included in a consolidated report to the Audit Committee at its July 2013 meeting. The consolidated report presented to the City Audit Committee will include a summary of our review of outstanding recommendations for all City Divisions and its Agencies and Corporations.

CONTACT

Alan Ash, Director, Auditor General's Office

Tel: (416) 392-8476, Fax: (416) 392-3754, E-Mail: Aash@toronto.ca

Jane Ying, Senior Audit Manager, Auditor General's Office

Tel: (416) 392-8480, Fax: (416) 392-3754, E-Mail: jying@toronto.ca

SIGNATURE

Jeffrey Griffiths, Auditor General

12-AAS-05

ATTACHMENTS

- Attachment 1: Toronto Police Service, Audit Recommendations – Fully Implemented
- Attachment 2: Toronto Police Service, Audit Recommendations – Not Fully Implemented
- Attachment 3: Toronto Police Service, Audit Recommendations – Not Applicable

**Toronto Police Service
Audit Recommendations – Fully Implemented**

Report Title: The Auditor General’s Follow-up Review on the October 1999 Report Entitled “Review of the Investigation of Sexual Assaults, Toronto Police Service”

Report Date: October, 2004

Recommendations:

- (7) The Chief of Police direct that all occurrence reports relating to sexual assault be reviewed by supervisory staff at the divisional level upon receipt of the initial reports and at the completion of the investigation. Evidence of the review be appropriately documented in the information system. Incomplete or inappropriate occurrence reports be discussed with the officer concerned and amendments made where necessary. Continued deficiencies in the preparation of occurrence reports be dealt with through existing training, and if necessary, discipline. Occurrence reports prepared by members of the Sex Crimes Unit be reviewed and approved by supervisory staff within the Unit.
- (20) The Chief of Police ensure that the project pertaining to the electronic transmission of ViCLAS data to the Provincial ViCLAS Centre in Orillia is expedited as quickly as possible. Staff responsible for this project be required to provide specific deadlines for completion. Periodic updates regarding the progress of the project be reported to the Chief of Police.
- (21) The Chief of Police, in consultation with the Sex Crimes Unit, ensure that all police officers have a clear understanding of the revised consent procedures relating to the sexual assault medical evidence kit. In particular, women who have been sexually assaulted be provided with detailed explanations pertaining to the consent form by divisional Sexual Assault Investigators only.

Report Title: The Auditor General’s Second Follow-up Review on the Police Investigation of Sexual Assaults

Report Date: April 9, 2010

Recommendations:

- (3) The Chief of Police ensure that the new information system acquired by the Toronto Police Service to replace the existing information systems is properly designed to accurately and efficiently track records of supervisory review.

Report Title: Review of Police Training, Opportunities for Improvement

Report Date: October 26, 2006

Recommendations:

- (3) The Chief of Police ensure that the total costs of all training are summarized, accounted and budgeted for and disclosed separately. The training costs should include all training provided by the Toronto Police Service including training provided by the specialized units, training provided by divisional training sergeants, and costs relating to the organization of various conferences and seminars. Such training costs should be benchmarked against other major police services within Canada, the US and the UK.
- (14) The Chief of Police evaluate the Human Resource Information System in order to ensure that the capabilities of the system are being used appropriately and to their full potential. Once determined, such information be communicated to all appropriate staff and, in addition, training specific to the reporting capabilities of the system be provided to all appropriate staff.
- (23) The Chief of Police ensure that all costs incurred in organizing annual international conferences are accurately and properly accounted for. Such costs to include all Toronto police officers salaries and any other administrative costs. The results of this analysis determine the viability of continuing to host international conferences. In any event, conference registration fees be determined after taking into account all organizational costs. Further, the Chief of Police review the procedure in connection with the carry forward of individual conference surpluses to future years.

Report Title: Police Paid Duty- Balancing Cost Effectiveness and Public Safety

Report Date: December 1, 2010

Recommendations:

- (3) The Police Services Board consider examining the feasibility and merits of the Vancouver Traffic Authority Program as an alternative to Toronto's current paid duty system.
- (6) The Chief of Police evaluate the need to establish a maximum limit on paid duty hours an officer can perform each year. Such an evaluation to take into account resource requirements and risks of interference with the performance of regular police duty.
- (8) The Chief of Police review and enhance monitoring procedures to identify instances of non-compliance with paid duty policy requirements. Such monitoring procedures should include periodic review of regular duty schedules in conjunction with paid duty assignments. Instances of non-compliance should be addressed including disciplinary action where appropriate.

Report Title: Review of Integrated Records and Information System

Report Date: August 26, 2011

Recommendations:

- (1) The Chief of Police give consideration to the engagement of a Fairness Consultant in major procurements. The criteria outlined by the City of Toronto be considered by the Chief of Police in determining when Fairness Consultants should be engaged.
- (2) The Chief of Police review the composition of all Information Technology Steering Committees with a view to including qualified City staff. The Chief develop specific criteria to determine when such a process should occur.
- (4) The Chief of Police conduct a financial analysis to identify, quantify and document anticipated financial and operational benefits from the implementation of the Integrated Records and Information System. Related assumptions used in the analysis should be documented.

Report Title: Parking Enforcement Review

Report Date: October 3, 2011

Recommendations:

- (1) The Chief of Police review the current management reporting process in order to identify areas where reporting could be improved. Periodic reports should be produced identifying both parking tag errors for individual officers and officers not submitting tickets for processing on a timely basis. Further, reporting should be established to immediately identify malfunctioning electronic hand held ticket issuing equipment.
- (2) The City Manager, in consultation with the City Solicitor and the Chief of Police, consider the feasibility of amending the parking tag form to exclude the expiry month of each vehicle license plate. If required a request be made to the Province to amend legislation.
- (3) The Chief of Police periodically review parking ticket inventory to identify missing parking tags. Missing parking tags identified should be traced to individual officers responsible and explanations documented. Appropriate action should be taken in circumstances where explanations are inadequate or in circumstances where missing tags are identified on a recurring basis.
- (4) The City Treasurer, in consultation with the Chief of Police review and update the "Reason Code" listing. Cancellation reason codes should be specific, relevant and clear enough to facilitate analysis and reporting.

- (5) The Chief of Police take steps to ensure compliance with the process for maintaining and reviewing Parking Enforcement Officer and Municipal Law Enforcement Officer court attendance records. The Chief of Police, in consultation with the Deputy City manager responsible for Court Services develop a reporting process for Officer court attendance validation.
- (6) The City Treasurer in consultation with the Chief of Police implement a process to identify and correct parking tag management information system data entry errors in a timely manner.
- (7) The Chief of Police evaluate the need to continue with the alternate parking tag management information database.
- (8) The City Manager, in consultation with the City Solicitor and the Chief of Police, consider initiating a request to the Province to amend legislation to allow parking enforcement officers the authority to issue tickets for expired licence plates. Any amendments to legislation provide for a revenue sharing arrangements with the City.

**Toronto Police Service
Audit Recommendations – Not Fully Implemented**

Report Title: Review of Police Training, Opportunities for Improvement – Toronto Police Service

Report Date: October 26, 2006

Recommendation Not Fully Implemented	Management’s Comments and Action Plan/Time Frame
(39) The Chief of Police review the level of tuition fees charged to police officers from other police services or from other organizations attending courses organized by the Toronto Police Service with a view to charging amounts which are more in line with actual training costs. In addition, any tuition fees waived for police officers attending from other police services or organizations be appropriately authorized in writing.	The Service is currently reconsidering its response to the collection of tuition fees from other police services.

Report Title: Police Paid Duty – Balancing Cost Effectiveness and Public Safety

Report Date: December 1, 2010

Recommendation Not Fully Implemented	Management’s Comments and Action Plan/Time Frame
(4) The Chief of Police take steps to reduce current paid duty system administrative costs. Such steps should include but not be limited to: a. Exploring the use of information technology to replace manual procedures; and b. Ensuring uniformed police resources are not used to perform clerical functions.	Financial Management has initiated a project whereby a full overhaul of the system will be undertaken, including policy changes and the implementation of an automated paid duty system. A projected implementation date of January 2, 2014 was communicated to the Board at the December 2012 meeting. However, this date cannot be finalized until a further review of resourcing requirements is performed by ITS, particularly given the current staff shortages in ITS, IRIS commitments and the inability to fill vacant positions in a timely manner.

Recommendation Not Fully Implemented	Management's Comments and Action Plan/Time Frame
<p>(5) The Chief of Police take steps to track paid duty equipment rental costs including direct and indirect costs, and ensure costs can be fully recovered from equipment rental revenue.</p>	<p>The paid duty process review has commenced and a system has been identified for the Service. Review and implementation of the system will occur during 2013 and include equipment costs. However, it should be noted that tracking these costs and applying direct and indirect costs is not a simple exercise. Consequently, the Service is looking to a process that will result in a reasonable charge for these rental costs, and balance the costs of determining a more definitive cost with the cost to determine it. A status report was provided to the Board at its December 2012 meeting. The next update will be provided to the Board in mid-2013. A new process and system is expected to be in place by January 2014.</p>
<p>(9) The Chief of Police conduct a review of the current policy governing requirements for paid duty officers at special events, in consultation with representatives from Economic Development and Culture and Parks, Forestry and Recreation, with a view to:</p> <ul style="list-style-type: none"> a. Ensuring consistent application of Service criteria in determining when paid-duty officers should be required for special events; b. Including guidelines to promote a consistent and transparent approach in determining the number of police officers, including paid-duty officers, required for special events; and c. Further maximizing the use of auxiliary members at special events where possible. 	<p>Service Procedure 20-15, Special Events was reviewed and amended on 2011.08.04. This Procedure speaks directly to when paid-duty officers should be required for special events and is applicable service-wide, thereby ensuring consistency in its application.</p> <p>Service Procedure 20-15, Special Events depicts in cases of both minor and major special events, a consistent approach to identifying who would be responsible for coordinating police officer resources, including whether officers are on duty or paid duty, as well as the staffing levels of each if applicable. This process includes a phase for recommendation of the number of police officers required, a review phase by an Event Supervisor and an approval/denial phase by a Unit Commander.</p> <p>As part of the Chief's Internal Organizational Review, specific to Special Events, a staffing matrix has been created, including all factors relating to any special event and supervisor to officer ratios and</p>

Recommendation Not Fully Implemented	Management's Comments and Action Plan/Time Frame
	<p>costing. It is a transparent process used in determining the appropriate TPS response. This document will be consistently applied across the service for all special events. The supervisory ratios will be the same regardless of whether the officers are on duty or performing a paid duty. This staffing matrix is still being reviewed and has not yet been implemented.</p> <p>Considering the restrictions placed on when they can be deployed and the duties permitted to be performed by Auxiliary members as prescribed by the Police Services Act, Auxiliary officers are being used to the maximum when possible. Large events are planned ahead of time, giving auxiliary officers ample time to commit. Unit Commanders are engaging their auxiliary officers on a regular basis for applicable divisional events/crime management strategies.</p>
<p>(10) The Chief of Police, in conjunction with the General Manager of Economic Development and Culture and the General Manager of Transportation Services, develop criteria for determining film permit paid duty policing requirements. Such criteria be accessible to the film industry through permit documents or websites.</p>	<p>The criteria is still being developed by a working group created to discuss alternative options available for traffic direction at film locations.</p> <p>A report summarizing the efforts of this working group was completed on October 17, 2011 and was forwarded to the Toronto Film Board with the first recommendation being that it be forwarded to the Toronto Police Services Board. This report was considered by City Council on February 6, 2012 and the two recommendations that were made were adopted.</p> <p>The website where this information would be accessible by the film industry is maintained by the City of Toronto at the link "Filming in Toronto." The updating of this site is beyond the Service's control.</p>

Report Title: Toronto Police Service – Review of Integrated Records and Information System (IRIS)

Report Date: August 26, 2011

Recommendation Not Fully Implemented	Management’s Comments and Action Plan/Time Frame
<p>(3) The Chief of Police ensure that Privacy Impact Assessments are incorporated into all future information technology projects at the initial stages of project development. A Privacy Impact Assessment be completed at the earliest possible time in regard to the Integrated Records and Information System project.</p>	<p>Building Privacy Impact Assessments (PIA) into future technology projects, specifically inclusion in the Project Management Framework is drafted but has not yet been published. The completion date is anticipated to be March 31, 2013. Information Security completed a Preliminary PIA for the IRIS Project in June 2012. The Final PIA for the project is scheduled to be completed by year end.</p>
<p>(5) Upon project completion, the Chief of Police report to the Toronto Police Services Board on the actual benefits achieved and where applicable, a description of anticipated benefits not realized.</p>	<p>A project management framework has been in place and used by the Service since 2006.</p> <p>Included as an integral requirement of this formal project management framework is the completion of a project close out report that outlines project results from a budget, schedule and scope perspective, including anticipated benefits achieved and not achieved and the reasons why. Any lessons learned are also included in the close out report.</p> <p>Accordingly, the IRIS project close-out report will address the benefits achieved and a description of the anticipated benefits not realized.</p>

Recommendation Not Fully Implemented	Management's Comments and Action Plan/Time Frame
(6) The Chief of Police develop a process to define, articulate and measure anticipated project objectives and outcomes.	The process to define and articulate anticipated project objectives and outcomes is complete and documented in the Project Management Framework, Project Initiation Process and Procedure and is available to all TPS members via the ITS website in the PMO toolbox. The process to measure the project outcomes against the anticipated objectives has been drafted and it not yet published. The estimated completion date is June 30, 2013.
(7) Upon project completion, the Chief of Police report to the Toronto Police Services Board the objectives achieved and where applicable, a description of anticipated objectives not realized.	The project close-out report will address the objectives achieved and a description of the anticipated objectives not realized.

ATTACHMENT 3

**Toronto Police Service
Audit Recommendations – Not Applicable**

Report Title: Police Paid Duty – Balancing Cost Effectiveness and Public Safety

Report Date: December 1, 2010

Recommendation Not Fully Implemented	Management’s Comments and Action Plan/Time Frame
<p>(2) The Chief of Police consider modifying the charging rate for a partial paid duty hour such that Toronto’s charging rate is consistent with other large police services.</p>	<p>This is a contractual issue and as such is beyond the purview of the Chief of Police. By virtue of the collective bargaining agreement that exists between the Board and the Toronto Police Association (TPA), the method in which paid duty rates are applied cannot be altered by the Chief of Police.</p> <p>Discussions have occurred between Labour Relations, Financial Management and the Toronto Police Association’s legal counsel regarding the manner in which partial paid duty hours are handled. The responsibility for making this change will need to be done through negotiations between the TPA and the TPS Board.</p> <p>Therefore, it is recommended that this matter be reassigned to the TPS Board, as they are currently in negotiations with the TPA.</p>



**AUDITOR GENERAL'S
REPORT
INFORMATION ONLY**

**Toronto Parking Authority – Results of Follow-up of
Previous Audit Recommendations**

Date:	May 8, 2013
To:	Board of Directors of the Toronto Parking Authority
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's Office conducts an annual follow-up review on the implementation of recommendations contained in audit reports issued. This report contains the follow-up results on the status of recommendations included in the report issued to the Toronto Parking Authority entitled "Toronto Parking Authority Pay and Display Parking Operations - Review of Revenue, Expenditure and Procurement Practices" dated May 15, 2009.

Our audit included a total of 16 recommendations. At this point last year, 10 recommendations had been implemented and one was deemed not applicable. Of the five outstanding recommendations, one is no longer applicable and four remain outstanding. Details are included in Attachment 1 and 2 of this report.

As recommendations from our 2009 report have been outstanding for over four years, management has indicated that more aggressive action will be taken in the next 12 months to implement outstanding recommendations.

Financial Impact

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

ISSUE BACKGROUND

The Auditor General conducts an annual follow-up process to ensure management has taken appropriate action to implement recommendations contained in audit reports.

In accordance with the Auditor General's Work Plan, we have reviewed the status of outstanding audit recommendations previously made by the City's Auditor General.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

COMMENTS

The follow-up review process requires that management provide the Auditor General a written response on the status of each recommendation contained in our audit reports. For those recommendations noted as implemented, audit work was conducted by audit staff to ensure the accuracy of management assertions. Where management indicated that a recommendation was not implemented, audit work was not performed.

Table 1 represents the results of our current follow-up on audit recommendations for the Toronto Parking Authority.

Table 1:

RESULTS OF THE CURRENT REVIEW

Report Title and Date	Total No. of Recs.	Previously Reported		Results of Current Review		
		Fully Implemented	Not Applicable	Fully Implemented	Not Fully Implemented	Not Applicable
Toronto Parking Authority Pay and Display Parking Operations-Review of Revenue, Expenditure and Procurement Practices	16	10	1	0	4	1
Total	16	10	1	0	4	1

Recommendations not fully implemented, together with management's comments and action plan, are listed in Attachment 1 and will be carried forward to the next follow-up review. Attachment 2 contains one recommendation that is no longer applicable.

The status of two of the outstanding recommendations requires additional comment. In recommendation Number 10, the Auditor General recommended obtaining data security certification as required by the payment card industry. This recommendation was determined as not fully implemented during last year's follow-up review. At that time, management agreed to complete the certification process during 2012. Our current review indicates that the required certification has not been obtained. Failure to meet certification requirements could potentially result in fines and penalties by credit card

companies. We have been advised by management that they are anticipating completion of the certification process by the third quarter of 2013.

Recommendation Number 11 is related to conducting an evaluation of the cost and benefit of implementing payment card chip and PIN technology. Credit card companies, including Visa and Master Card Canada had previously set a deadline of March 31, 2011 for merchants to adopt chip and PIN technology. Non-compliance would result in merchants accepting the responsibility for any fraudulent transactions. However, according to management, they had been advised that Visa and Master Card are not mandating a shift to chip and PIN technology. Rather, it is a business decision made by merchants.

Management indicates that they have not received any inquiries from card issuers or card holders regarding fraudulent transactions. Management has also indicated that due to the significant cost of installing PIN pads on pay and display machines, they are investigating other technology solutions, such as, contactless and mobile phone payment options. Although no formal cost benefit analysis has been conducted, management believes the cost of upgrading all pay and display machines is greater than the expected financial benefit. Therefore, management believes the recommendation is no longer applicable.

A consolidated report will be tabled at the July 2012 meeting of the City Audit Committee on the results of the current follow-up of audit recommendations relating to the City's Agencies, Boards, Commissions and Corporations for reports issued by the Auditor General's Office. The results of the current follow-up review for the Toronto Parking Authority will be included in that report.

CONTACT

Alan Ash, Director, Auditor General's Office
Tel: (416) 392-8476, Fax: (416) 392-3754, E-Mail: aash@toronto.ca

SIGNATURE

Jeffrey Griffiths, Auditor General

12-AAS-05

ATTACHMENTS

Attachment 1: Audit Recommendations – Not Fully Implemented
Attachment 2: Audit Recommendations – Not Applicable

**TORONTO PARKING AUTHORITY
AUDIT RECOMMENDATIONS – NOT FULLY IMPLEMENTED**

Report Title: Toronto Parking Authority Pay and Display Parking Operations-
Review of Revenue, Expenditure and Procurement Practices
Report Date: May 15, 2009

Recommendations:

No.	Recommendation	Management’s Comments and Action Plan/Time Frame
(3)	<p>The President of the Toronto Parking Authority, in consultation with legal counsel, take appropriate steps to execute a formal data and management services agreement, ensuring adequate terms and conditions are provided, including</p> <ul style="list-style-type: none"> a. access to vendor program source codes essential to the operation of pay and display equipment, in the event of vendor insolvency b. defined service levels and standards, including criteria and measures for non-performance subject to penalty c. TPA ability to obtain potential financial benefits should the vendor market the product to other clients. 	<p>The Toronto Parking Authority has executed a Letter of Intent with respect to the implementation of the agreement. The execution of the full agreement is anticipated in 2012. The agreement will address all aspects of the Auditor’s recommendations. This was a TPA initiative prior to the audit.</p>
(8)	<p>The President of the Toronto Parking Authority implement procedures to ensure equipment repairs and maintenance are completed on a timely basis and recurring problems are identified and satisfactorily addressed.</p>	<p>Where removals are required a machine replacement program has been implemented to ensure service is uninterrupted during repairs. An asset management program is being implemented to track the status of these events. This program is now in testing and should be fully implemented by the fall of 2013.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
(10)	<p>The President of the Toronto Parking Authority give priority to meeting the Payment Card Industry Data Security Standard (PCI DSS) certification requirements and report to the Board on the efforts made in that regard.</p>	<p>Certification process is ongoing – TPA has hired a Qualified Security Assessor (QSA) to review and advise on our status. In preparation for a formal audit leading to certification TPA has implemented all required security practices under its control and is awaiting submission of certificates from third party partners attesting to their status before the QSA commences the formal audit. Receipt of this material is anticipated by mid-summer 2013 with the audit to commence shortly thereafter. Annual re-certification is required.</p>
(13)	<p>The President of the Toronto Parking Authority establish information technology policies and procedures to provide</p> <ul style="list-style-type: none"> a. change management controls requiring adequate documentation and approvals for changes to TPA's information technology systems b. roles and responsibilities assigned to information and technology staff to ensure adequate segregation of incompatible functions c. adequate security controls including maintaining review of system access logs and conducting periodic review of the logs. 	<p>These policies are all requirements of the PCI DSS certification process currently underway.</p> <ul style="list-style-type: none"> a. Done - changes to accounting systems through a third party are based on work order requests and meet PCI DSS standards. TPA has set up a lab environment for testing of changes to its Zeag parking system. b. By end of 2013 c. By end of 2013

**TORONTO PARKING AUTHORITY
AUDIT RECOMMENDATIONS – NOT APPLICABLE**

Report Title: Toronto Parking Authority Pay and Display Parking Operations-
Review of Revenue, Expenditure and Procurement Practices

Report Date: May 15, 2009

Recommendations:

No.	Recommendation	Management's Comments
(11)	<p>The President of Toronto Parking Authority to determine payment card chip and PIN technology requirements and report to the Toronto Parking Authority Board on related action plans. Such report to include</p> <ul style="list-style-type: none"> a. cost and benefit of implementation b. specific timelines and responsibility for implementation. 	<p>The TPA, through a partnership with Visa Canada, has completed the implementation of Visa's PayWave product; a contactless low value credit card payment solution, no signature or personal identification number required. The TPA continually reviews opportunities presented through this technology and would adopt where benefits will accrue.</p>

