



AUDITOR GENERAL'S REPORT ACTION REQUIRED

2016 Audit Work Plan

Date:	September 25, 2015
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to provide City Council with an overview of the work the Auditor General plans to conduct during 2016. It also includes a summary of the work the Auditor General could undertake with additional funding over the next three years. This report contains the following:

- Appendix 1 - Auditor General's 2016 Audit Work Plan (Existing Resources)
- Appendix 2 - Projects Planned For 2017 And 2018 (Existing Resources)
- Appendix 3 - 2016-2018 Additional Projects with Additional Resources
- Appendix 4 - Summary of the Backlog of Audits
- Appendix 5 - 2015 Audit Work Plan - Deferred Audit Projects
- Appendix 6 - Summary Statistics and Detailed Listing of Audit Reports 2011 to 2015

The 2016 Audit Work Plan provides City Council with an overview of how the resources allocated to the Auditor General's Office will be used in 2016.

The audits that will be undertaken in 2016 will provide independent information for City Council to hold City administrators accountable for providing stewardship over public funds; strengthen management controls and enhance the efficiency and effectiveness of City services.

The Work Plan includes a list of audits in progress, new audit projects, data analytics and continuous monitoring projects, Fraud and Waste Hotline investigative work and follow-up audits. Follow-up audits are conducted to ensure that management has taken appropriate action to implement the recommendations from past audit and investigative reports. The Auditor General may revise the Work Plan as new information arises.

The Auditor General undertakes a risk-based audit approach. Every five years the Auditor General performs an extensive assessment of the operations of the City and its major agencies and corporations to establish audit priorities. The assessment is a major undertaking that includes a citywide survey and detailed interviews with senior City officials and City Councillors.

The Auditor General completed her assessment in 2015. The assessment included a survey of 188 organizational units within the City, and agencies and corporations under the Auditor General's mandate. The risk assessment identified 55 priority audit areas.

The 2016 Audit Work Plan includes projects identified as priority from the latest assessment. The Auditor General's limited resources impacts the number of high priority projects that can be included in the 2016 audit plan. Given current resources, completion of the priority projects identified in the latest risk assessment would take over five years. To address these priority audit areas on a timelier basis, we have requested additional funding for our operations. Appendix 2 and Appendix 3 provides a three year projection and comparison of projects completed with or without these resources. Appendix 4 includes a summary of backlog projects.

In addition, audit standards require that specialists be hired in certain projects to ensure there is sufficient technical knowledge on the audit team. The Auditor General plans to use specialists in Information Technology and other specialized areas to perform reviews that are technical in nature. A small amount of funding has been included in the budget for experts. The Auditor General will be able to acquire services of these specialists only if the funding for professional services in our 2016 budget request is approved.

RECOMMENDATION

The Auditor General recommends that:

1. City Council receive the Auditor General's 2016 Audit Work Plan.

Financial Impact

The recommendation in this report has no financial impact beyond the amount provided in the Auditor General's 2016 budget request.

ISSUE BACKGROUND

Section 177 of the *City of Toronto Act, 2006* formalized the appointment of an Auditor General for the City of Toronto. Under Section 178 of the *Act*, the Auditor General is responsible for "assisting City Council in holding itself and City administrators accountable for the quality of stewardship over public funds and for achievement of value for money in City operations."

On an annual basis, the Auditor General submits an audit work plan to City Council for information. The Auditor General also provides the Audit Committee with a report regarding the extent of quantifiable financial benefits that result from the work conducted by the Auditor General's Office. Since 2010, for every \$1 invested in the Auditor General's Office the return on this investment has been over \$11. Many of the estimated cost savings are continuing and occur on an annual basis. The 2015 report *Demonstrating the Value of the Auditor General's Office* will be tabled in early 2016.

The Auditor General considers the views and experience of City Councillors and City Officials when setting her plan. According to Chapter 3 of the Municipal Code, Council may add to the annual audit plan by a two-thirds vote of all Council members. The Audit Work Plan may be amended by the Auditor General if new priorities arise.

Audit projects undertaken in any given year depend on several factors, including:

- Risk factors such as program budget, system complexity, policies and procedures and other risks
- Availability of resources
- The extent of fraud investigations required during the year
- The extent of work performed by other internal audit functions throughout the City
- The number of special requests approved by City Council
- Other high priority issues which may emerge during the year

COMMENTS

The Auditor General's 2016 Audit Work Plan contains details of audit projects planned for the year.

The projects included in the 2016 Audit Work Plan are classified into the following categories:

1. Audits in Progress and New Audit Projects
2. Follow-up of Outstanding Audit Recommendations
3. Investigative Work Related to Allegations of Fraud or Other Wrongdoing
4. Risk Assessment of Agencies and Corporations not under Auditor General's mandate
5. External Audit Coordination
6. Reports Requested by City Council or by Agencies or Corporations
7. Data Analytics, Continuous Controls Monitoring

Some projects will commence late in 2016 and consequently will not be finalized until 2017.

1. Audits in Progress and New Audit Projects

Appendix 1 provides a brief description of 2015 audits in progress and the new 2016 projects.

Appendix 2 and Appendix 3 provide a three year projection and comparison of projects completed with or without additional resources requested in 2016 budget. Appendix 4 provides a listing of remaining priority audits that cannot be addressed during 2016 to 2018 due to resource limitations. However, the backlog will increase if additional resources are not allocated to the Auditor General.

2. Follow-up of Outstanding Audit Recommendations

Recommendation follow-up is required by Government Auditing Standards. Following up on outstanding recommendations from previous audit and investigative reports is important and ensures that management has taken appropriate action to implement the recommendations. The Auditor General reports to Audit Committee each year on the implementation status of outstanding recommendations.

The results of the June 2015 follow-up of recommendations are available at:

City Divisions:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81467.pdf>

Agencies and Corporations:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81426.pdf>

Forensic Unit Reports:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81321.pdf>

The next follow-up report to Audit Committee will be presented in June 2016.

3. Investigative Work Related to Allegations of Fraud or Other Wrongdoing

The Auditor General also reports to Audit Committee each year on the status of Fraud and Waste related matters at the City. Alleged fraud or other wrongdoing comes to the attention of the Auditor General through ongoing audit work, notification by Councillors or management and through the Fraud and Waste Hotline Program.

Investigative work related to fraud or other wrongdoing is a high priority. The number of complaints and complexity of reported allegations varies each year. It is difficult to predict the extent of investigative work required in any given year.

A more detailed account of the activities of the Fraud and Waste Hotline Program is available in the 2014 annual report submitted in early 2015:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-76326.pdf>

4. Audit Priority Assessment of Agencies and Corporations not under Auditor General's mandate

Every five years, the Auditor General's Office performs a detailed risk assessment of the operations of the City and those agencies and corporations included within its mandate to establish audit priorities. The purpose of the assessment is to ensure that all significant areas of the City are evaluated from an 'audit risk' perspective by using uniform criteria and quantitative evaluations to identify potential audit projects.

The latest assessment for the City and those agencies and corporations included within the Auditor General's mandate was completed in 2015 and 62 high priority areas were identified. These areas will be used to inform our audit plans during the next five years.

For those Agencies and Corporations currently not under the Auditor General's jurisdiction, such as, Toronto Police Service, Toronto Public Health and Toronto Public Library the Auditor General has informed the respective Boards of the benefits of an independent risk assessment and has offered to undertake the same. The Auditor General will only be able to perform this work if so requested by the respective Boards.

Audits of Agencies and Corporations not under Auditor General's Mandate

Under the Municipal Code, the Auditor General may perform work at Agencies and Corporations not under her mandate only if requested to do so by the respective Board.

At its meeting of September 30, October 1 and 2, 2015, City Council passed a motion to request the Province to expand the Auditor General's jurisdiction to the "restricted" local boards as part of the Province's upcoming review of the City of Toronto Act.

5. External Audit Coordination

The Auditor General's responsibilities include the management, coordination and oversight of the external financial statement audits of the City, its agencies and corporations, Community Centre Boards of Management and Arena Boards of Management.

The external auditor for the financial statements of the City and its major agencies and corporations, for the years 2015 to 2019, was approved by City Council in March 2015. The external auditor for the City Arenas, Community Centres and miscellaneous entities (Heritage Toronto, Yonge-Dundas Square, the Toronto Atmospheric Fund and the Clean Air Partnership), for the years 2013 to 2017, was approved by City Council in November 2012.

6. Reports Requested by City Council or by Agencies and Corporations

City Council may request the Auditor General to conduct reviews on areas of concern. We completed the following Council-requested audits in 2014-15.

- Operational review of Sony Centre for the Performing Arts including its business plans
- Value for money audits of Build Toronto and Invest Toronto
- 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.

In addition, Council requested that the Auditor General consider the following matters in her Work Plan:

- Review of Leslie Barns and connecting track's capital project.
 - This project commenced in 2015, but was subsequently deferred because the City Manager commissioned a project to review project management at TTC. Once the project commissioned by the City Manager is complete we will reassess the timing and extent of this audit project.
- Review whether the best-practice project management methodology is being effectively deployed on large capital and engineering projects, including the projects at Toronto Transit Commission.
 - This project was considered for 2015. Given there is an independent project management review, this audit was deferred. The Auditor General will re-assess the timing and extent of this audit project during 2016.
- Review a project regarding management controls related to the accountability of management staff regarding whistle blower protection and controls over the dismissal or termination of employees.
 - This work will not be undertaken due to other competing priorities.
- Conduct future audits as necessary in relation to projects managed by Waterfront Toronto.
 - This project was deferred following a consultation with the City Manager. The City is hiring independent auditors to undertake project audits. Once this work is complete the Auditor General will perform an assessment to determine the degree of work that should be undertaken at Waterfront Toronto.

In addition, at its June 18, 2015 meeting the Toronto Police Services Board requested the Auditor General to perform a review of Level 3 and Level 4 searches performed by the members of the Toronto Police Service. This request has been included in the 2016 Work Plan.

7. Data Analytics and Continuous Controls Monitoring

The Auditor General's office analyzes millions of pieces of data during audits. Computerized data analytics is a fundamental tool for every audit. The breadth and depth of how data analytics is applied is expanding. Data analytics will be integrated into most audits in 2016 and beyond.

In addition, the Auditor General uses specialized data extraction software, on an ongoing basis, to identify transactions that warrant further review. The office calls this the continuous controls monitoring program. The continuous controls monitoring program started with City payroll information. In 2012 and 2013, the Auditor General expanded these reviews to include staff overtime, absenteeism and other payroll related expenses at TTC. In 2015 the review was expanded to include the City's telecommunication expenses. In 2016 the program will be expanded to accounts payable and purchasing card reviews.

The benefit of computerized data analytics is evident. To date, the continuous controls monitoring program resulted in improved controls and significant savings. For example, significant ongoing savings from monitoring telecommunication expenses and TTC overtime is expected to be around \$5.3 million annually.

The Auditor General reports on the results of continuous control monitoring work to the Audit Committee. The most recent annual reports are available at:

City staff overtime and other expenses:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-79960.pdf>

i) City staff absenteeism:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81335.pdf>

ii) TTC staff overtime and other related payroll expenses:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81059.pdf>

iii) Telecommunication Expenses:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-81327.pdf>

CONCLUSION

The 2016 audits have been selected based on a balancing of audit priorities and audit resources. The plan is flexible to allow the Auditor General to respond to emerging issues. In accordance with the *City of Toronto Act*, the audit work provides independent information so that City Council can hold City administrators and itself accountable for achieving value for money in City operations and for safeguarding public funds. Audits also help City administrators improve City operations, mitigate risks facing the City, strengthen management controls, improve accountability and enhance the efficiency and effectiveness of City services.

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SIGNATURE

Beverly Romeo-Beehler, Auditor General

ATTACHMENTS

Appendix 1 - Auditor General's 2016 Audit Work Plan (Existing Resources)

Appendix 2 - Projects Planned for 2017 and 2018 (Existing Resources)

Appendix 3 - 2016-2018 Additional Projects with Additional Resources, 2016 Budget Request

Appendix 4 - Summary of the Backlog of Audits

Appendix 5 - 2015 Audit Work Plan - Deferred Audit Projects

Appendix 6 - Summary Statistics and Detailed Listing of Audit Reports 2011 to 2015

**AUDITOR GENERAL’S 2016 AUDIT WORK PLAN –
AUDITS IN PROGRESS AND NEW AUDIT PROJECTS (Existing Resources)**

1. AUDITS IN PROGRESS

The following audits are expected to be completed late in 2015 and will be reported in early 2016.

- Procurement of Road Repairs and Maintenance Services
- Toronto Parking Authority (TPA) - Audit of Off-Street Parking Operations

The following audit projects have commenced and will be completed in 2016.

Seq. No	Audit Projects	Project Description
1.	Audit of information technology (IT) network vulnerabilities within the City	IT security breaches can have profound effects on organizations. The audit assesses external vulnerabilities facing the IT network and internal access controls to determine if there are potential weaknesses that could compromise the City’s IT network.
2.	Review of Custodial Care Operations	This audit will focus on management controls, cost and quality of custodial care services.
3.	Audit of Toronto Water billing and collection processes	The City bills and collects over \$900 million in water charges annually. The purpose of the audit is to evaluate City systems and processes relating to the billing and collection of water charges.
4.	Procurement of Road Repairs and Maintenance Services by Transportation Division	<p>The City spends approximately \$100 million on Transportation Road Repairs and Maintenance Services annually. The audit will evaluate whether:</p> <ul style="list-style-type: none"> • procurement controls are effective in the purchase of Road Repairs and Maintenance Services services • there are adequate controls over bidding practices in the procurement of Road Repairs and Maintenance Services, and • the contractor performance is evaluated or considered prior to awarding contracts.

Seq. No	Audit Projects	Project Description
5.	Toronto Parking Authority – Off-Street parking operations	The TPA collects significant revenue from off-street parking. This audit will focus on effectiveness of controls over revenue collection at parking lots and automated garages.
6.	Toronto Transit Commission – Review of Inventory Controls	This audit will assess controls over inventory transactions, safeguarding of inventory and accuracy and reliability of inventory records.

2. POTENTIAL NEW AUDIT PROJECTS

2016 new audit projects are included in the table below. The list includes some projects for which permission from Boards of Agencies and Corporations must be received before an audit commences. The Auditor General is making a request to the respective Boards to undertake these projects.

Seq. No	Audit Project	Project Description
1.	Review of business license issuance and permit enforcement (excluding Taxis)	The audit will assess the efficiency, effectiveness, and economy of processes governing business license issuance and permit enforcement. This will include relevant policies, procedures, processes, and controls to ensure compliance with conditions for various licenses and collection of related fees.
2.	Review of management of funds provided for affordable housing programs	The audit will review the efficiency, effectiveness, and economy of the use of funding provided in support of affordable housing.
3.	Operational review of City-wide Data Center facilities	The audit will include review of City-wide Data Center facilities and evaluate options to rationalize operations, enhance security, reduce duplicate efforts and save on the overall IT spend. An assessment of disaster recovery planning and capabilities may be included as part of the review.

Seq. No	Audit Project	Project Description
4.	Review of Management and Oversight of Vendor Rosters	This audit will evaluate procurement processes for establishing rosters, compliance with the City's roster management policy and procedures, and the adequacy of financial controls undertaken by staff responsible for the rosters.
5.	Facilities Management - Audit of Maintenance Services	To assess whether maintenance services are being provided economically, efficiently and in compliance with appropriate policies and legislative requirements.
6.	User Fee Policy Review - Collection and Accounting	<p>This audit will review controls on collection and accounting of user fees for various programs offered by the City.</p> <p>Specific areas of focus might include: evaluation of controls over registration; user fee rate setting; and administration of the Welcome Policy.</p>
7.	Review of Processing and Management of Dental and Health Benefits Claims	This review will focus on processes and controls on management of employee health benefit claims by the service provider. This review may be extended to include TTC.
8.	Toronto Transit Commission – Review of procurement processes	<p>This will be a comprehensive audit of TTC's procurement process including a review of financial controls, purchasing policies and procedure requirements, and bid evaluation and award process.</p> <p>The audit will include case studies (e.g. Wheel-Trans taxi contract amendment, and purchase of Light Rail Vehicles).</p>
9.	Toronto Police Level 3 and Level 4 Searches of Persons	The audit was requested by the Chair of the Police Services Board. The audit will assess the extent of management oversight, consistency and impact on investigations, relating to Toronto Police Level 3 and Level 4 Searches of Persons.
10.	TCHC – Review of Redevelopment / Revitalization of TCHC Communities	The audit will focus on the process to identify development partners, management of related construction contract activities and success of the program.

Seq. No	Audit Project	Project Description
11.	Audit of Shared Services	<p>This audit will assess the rate of implementation of shared service recommendations made by Auditor General and external consultants. It will also identify new areas where shared services should be considered.</p> <p>This audit was deferred from the 2015 plan to allow sufficient time for the Shared Services Project team and the working groups to implement the program.</p>
12.	Phase Two: Management of City's Long Term Disability (LTD) Benefits	<p>Phase Two of the LTD audit was moved from the 2015 audit plan because of restrictions on obtaining access to Manulife LTD records.</p> <p>The audit will assess whether the Benefits Administrator provides effective and timely claim administrative services to the City.</p>
13.	Information Technology Major Infrastructure and Other Projects	<p>The IT division undertakes large information technology projects. This audit will include a review of the awarding, implementation and management of large IT projects.</p> <p>This audit was deferred from the 2015 plan to allow IT to implement a new project governance structure.</p>
14.	Risk Assessment Toronto Police Service	<p>This review will be performed subject to receiving a request from the Board. Details are provided under "Point 4, Comments section" of this report.</p>

	<u>Recurring Projects:</u>	
15.	Data Analytics and Continuous Controls Monitoring	<p>These projects use data analytics to probe City data so that the Auditor General can identify unusual transactions and significant emerging trends.</p> <p>This information informs audits and helps to detect and prevent fraud. Major focus of reviews would be:</p> <ul style="list-style-type: none"> - Payroll related expenses - Staff absenteeism - Telecommunication expenses - Accounts Payable and purchasing <p>We plan to extend the project to major agencies and corporations.</p>
16.	Follow-up on Outstanding Recommendations from Previous Audit and Investigative Reports	<p>This is the Auditor General’s annual review of the implementation status of outstanding audit recommendations from previous audit reports, Fraud and Waste Hotline reports and other special reviews and investigative reports, issued to the City and its agencies and corporations.</p>

AUDITOR GENERAL'S OFFICE
PROJECTS PLANNED FOR 2017 AND 2018 (Existing Resources)

Year 2017

1. Review of consolidated Toronto Paramedic Services and Toronto Fire Services Communications Centre
2. Review of child care centres directly operated by the Children's Services Division
3. Court Services Revenue
4. Review of Toronto Transit Commission Operating Unit
5. City Planning Division - Operational review of Community Planning Unit
6. Audit of Green Lane landfill operations and biogas royalty revenue
7. Audit of Space Utilization and Potential Space Rationalization Opportunities
8. Fleet Services – Parts and Equipment Contract and Invoice Verification
9. Toronto Transit Commission – Review of Revenue Operations

Year 2018

10. Audit of construction management, state of good repair and contract administration practices – Facilities Management
11. Review of information technology asset management
12. Systems in place to monitor the benefits achieved from major energy conservation or green energy capital projects
13. Audit of basement flooding subsidies Program
14. Audit of the management of the centralized waiting list for social housing
15. Review of Toronto Seniors Strategy
16. TCHC – Review of management of third-party property managers
17. Toronto Parking Authority – Review of planning and management of the capital program
18. Toronto Police Service - Paid Duty Follow-up Review (subject to request from Toronto Police Services Board)

AUDITOR GENERAL'S OFFICE
2016-2018 ADDITIONAL PROJECTS WITH ADDITIONAL RESOURCES
2016 BUDGET REQUEST

1. Audit of City-wide real estate strategy (may include Agencies and Corporations)
2. Contract management practices – Outsourced curbside collection contract in District 1
3. Review of reserves and other Deferred Revenue Accounts
4. Use of Information Technology Professional Services by the City
5. Audit of the City's preparedness for major emergencies and disasters
6. Governance and accountability framework over agencies and corporations
7. Toronto Community Housing Corporation (TCHC) – Review of capital planning and the management of the capital program, including state of good repair.
8. Specific Significant Capital Projects in Various City Divisions and Agencies and Corporations (depending on the risk assessment, may perform audit of 3-4 projects from the following):
 - Kipling Acres Long-Term Care Home redevelopment
 - Seaton House redevelopment and revitalization of George St.
 - North West PATH Pedestrian Tunnel Project
 - F.G. Gardiner Expressway Project
 - Solid Waste Management Source Separated Organics Processing Facilities
 - Toronto Water Infra-structure projects
 - Nathan Philip Square Revitalization Project
 - Toronto Transit Commission – Wilson Yard project
 - Toronto Transit Commission – Leslie Barns
 - Toronto Zoo - Wildlife Health Centre

**AUDITOR GENERAL'S OFFICE
SUMMARY OF THE BACKLOG OF AUDITS**

These audits represent a backlog of audits that would have to be completed in future years. The backlog would further increase if additional resources are not allocated to the Auditor General. Specific details and audit scope for these projects will be more fully defined when resources are available.

1. Toronto Transit Commission – Reviews of major TTC operating units
2. Operational review of Fire Prevention and Public Education
3. Operational review of Urban Forestry maintenance program for City trees
4. Audit of the state of good repair of City facilities – City divisions, agencies and corporations
5. Toronto Transit Commission – Review of IT project implementation
6. Toronto Transit Commission – Audit of real estate management
7. TCHC – Review of Client Care, dispatch and vendor management
8. TCHC – Review of rental revenue and administration of the Rent Subsidy Program
9. TCHC– Review of commercial leasing revenues
10. Operational review of Community Recreation
11. Build Toronto – Review of the development of investment property
12. Audit of contract management practices – single stream recyclable materials contracts
13. Contract management practices – Basement Flooding and Wet Weather Flow projects
14. Review of payment handling by Toronto Building Customer Service Unit
15. Operational review of building permit review and approval process
16. Review of the administration of the hostel system in providing shelter and care services
17. Review of planning and management of the capital program
18. Operational review of Exhibition Place

AUDITOR GENERAL'S OFFICE
2015 AUDIT WORK PLAN - DEFERRED AUDIT PROJECTS

These projects have been deferred to a later date or discontinued due to other high priority areas included in the Audit Plan.

Seq. No	Audit Project	Description
1.	Audit of Space Utilization and Potential Space Rationalization Opportunities	To assess City-wide facilities and buildings and review opportunities to rationalize space used by various divisions across the City.
2.	Fleet Services – Parts and Equipment Contract and Invoice Verification	To review the procedural controls in the administration and payment of parts and services acquired under the spare parts contract and the effectiveness of the outsourcing arrangement. There was work conducted by management and the Forensic Unit in 2015. Management is making extensive changes to procedures. This audit will likely be commenced in 2017.
3.	Project Management of Large Capital and Engineering Projects	To review the policies, procedures and controls in managing major capital projects at the City. This audit is being re-assessed for future audit plans.
4.	Toronto Police Service - Paid Duty Follow-up Review (subject to request from Toronto Police Services Board)	The Auditor General performed a review of Toronto Police Paid Duty expenses in 2011. A follow up review is warranted to assess the progress and impact of implementing previous recommendations. This audit is deferred until the Auditor General either has authority to audit Toronto Police Service or receives a request from the Board to do this work.
5.	Review of Exhibition Place Parking Revenue	Deferred - The risk assessment completed in 2015 identified other more important audits to undertake.

Seq. No	Audit Project	Description
6.	Audit of Long Term Disability (LTD) Benefit Program for TTC	<p>To review the approval and management of LTD claims and benefits, including controls to address complaints about LTD fraud.</p> <p>The audit is being re-assessed for future audit plans.</p>
7.	Audit of TTC Attendance Management Program	<p>Annual payroll cost is approximately \$960 million. More than 10% of the annual payroll cost is for overtime and sick leave. As absenteeism is a major driver of overtime, originally the audit will assess how TTC manages employee attendance and identify improvement opportunities.</p> <p>Since this audit was scheduled, the Auditor General has conducted continuous monitoring on employee attendance and confirmed that TTC has an attendance rate comparable to the public service. In addition, for some of the units where the attendance rate is unusually high, management has taken proactive steps to manage overtime and attendance together.</p> <p>The Auditor General will be following up on the results of TTC's initiative, and will reconsider this audit in 2017.</p>

APPENDIX 6

AUDITOR GENERAL'S OFFICE
SUMMARY STATISTICS - AUDIT REPORTS 2011 TO 2015

Division Name	In progress	2015	2014	2013	2012	2011
311 Toronto				1	1	1
Accounting Services				1	1	
Children's Services					1	
City Planning						1
Employment and Social Services				1	1	
Engineering & Construction Services			1		1	1
Environment & Energy						1
Facilities Management	1	1				1
Financial Planning				2		
Fire Services				1		
Fleet Services	1			1		
Human Resources		4	4	4	2	1
Information & Technology	1	3	1	2	2	3
Municipal Licensing & Standards				1		1
Parks, Forestry & Recreation					2	2
Pension, Payroll & Employee Benefits	1	1			1	
Purchasing & Materials Management	1	2	1		2	
Real Estate Services				1		
Revenue Services		1				1
Shelter, Support & Housing Administration			1			
Social Development, Finance & Administration				1		
Solid Waste Management			1			1
Toronto Building			1		1	
Toronto Paramedic Services				1		
Toronto Water	1			1		1
Transportation Services				2	3	2
Total Divisional Reports Issued	6	12	10	20	18	17
Toronto Transit Commission	1	5	2	3	3	
Toronto Police Services				1		3
Toronto Community Housing Corporation			2	2	4	2
Community arenas					1	
Sony Centre			1	1		
General agency report			1			
Toronto Parking Authority	1	2				
Toronto Build Incorporated			1			
Invest Toronto Incorporated			1			
Total Agency and Corporation Reports Issued	2	7	8	7	8	5
City Manager Reports		2	1			
Total Internal AG Office Reports Issued		16	10	11	12	16
TOTAL # OF REPORTS ISSUED*	8	37	29	38	38	38

DIVISIONS NOT AUDITED LAST FIVE YEARS - 18 (41%)

**Detailed list of reports on the following pages. Multiple reports on same project listed only once.*

AUDITOR GENERAL'S OFFICE
AUDIT REPORTS ISSUED
Reports Presented at Audit Committee 2011 to 2015

2015

- Toronto Parking Authority – Phase 1: Audit of Real Estate Activities – October 7, 2015
- Maximizing Value from a Learning Management System – October 5, 2015
- Improving Property Tax Assessments and Payment in Lieu of Taxes – October 2, 2015
- Management of the City's Long-Term Disability Benefits, Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits – October 2, 2015
- Implementing an Integrated City-wide Risk Management Framework – June 11, 2015
- Improving the Administration of City Training Programs – May 1, 2015
- Service Efficiency Consultants Studies - Extent of Value for Money from Studies Has Not Been Clearly Demonstrated – February 11, 2015
- Auditor General's Report – Review of Toronto Transit Commission Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement – February 6, 2015
- Auditor General's Report – Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance – February 6, 2015
- Review of Divisional Purchase Orders – February 5, 2015
- Software Licenses - Managing the Asset and Related Risks – February 4, 2015
- Facilities Management - Security and Safety Improvements Required – February 3, 2015
- Operational Review of Invest Toronto Inc. – December 3, 2014
- Operational Review of Build Toronto Inc. – November 17, 2014

Recurring Reports (these reports are issued each year but listed only once in this appendix):

- Annual Report Requested by the Audit Committee - Demonstrating the Value of the Auditor General's Office
- Annual Report on Fraud Including the Operations of the Fraud and Waste Hotline
- Continuous Controls Monitoring - 12-Month Review of City Overtime, Standby Pay and Mileage Expenses
- Continuous Controls Monitoring Program - Toronto Transit Commission, 12-Month Review of Employees Overtime and Related Expenses
- Continuous Controls Monitoring Program – 12-Month Review of City Staff Absenteeism
- Auditor General's Status Report on Outstanding Audit Recommendations for City Divisions
- Auditor General's Status Report on Outstanding Audit Recommendations for City Agencies and Corporations

- Auditor General’s Office - Forensic Unit Status Report on Outstanding Recommendations

2011 – 2014

- Opportunities to Enhance the Oversight of Non-Union Employee Separation Costs - June 11, 2014
- Controls Over Telecommunication Expenses Need Improvement - June 10, 2014
- Strengthening the City’s Oversight of Social Housing Programs - June 2, 2014
- Cost Benefits of Extended Warranties for Construction Projects Are Unknown - May 1, 2014
- Review of the Redevelopment of the Sony Centre for the Performing Arts - April 24, 2014
- Review of 2015 Pan American/Parapan American Games’ Capital Projects - April 17, 2014
- Opportunities to Enhance Employee Absenteeism Performance Measures and Reporting of Results - April 11, 2014
- Review of Training, Conference and Related Travel Expenses - February 7, 2014
- District 2 Curbside Collection Contract - Review of Cost Savings and Opportunities for Improving Contract Monitoring - February 6, 2014
- The Charbonneau Commission - An Opportunity for the City to Re-evaluate its Procurement Practices - February 6, 2014
- Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration - January 28, 2014
- Toronto Building - Improving the Quality of Building Inspections - January 15, 2014
- Emergency Medical Services – Payroll and Scheduling Processes Require Strengthening – October 3, 2013
- Toronto Employment and Social Services – Review of Employment Services Contracts – September 30, 2013
- Local Road Resurfacing – Improvements to Inspection Process Required to Minimize Incorrect Payments to Contractors – September 25, 2013
- IT Service Desk Unit – Opportunities for Improving Service and Cost-Effectiveness – September 18, 2013
- Toronto Fire Services – Improving the Administration and Effectiveness of Firefighter Training and Recruitment – September 16, 2013
- Auditor General’s Hotline Investigation Report: Fleet Services Division – Review of Various Equipment Maintenance Practices – August 31, 2013
- Local Road Resurfacing – Contract Management Issues – May 10, 2013
- Toronto Water – Review of Construction Contracts – May 7, 2013
- Financial Planning Analysis and Reporting System (FPARS) - A Large Scale Business Transformation/Information Technology Project – May 2, 2013
- Reliable Data is Needed for Effective Fleet Management – April 18, 2013

- Municipal Licensing and Standards, Investigation Services Unit – Efficiencies Through Enhanced Oversight – January 30, 2013
- Appraisal Services Unit - Opportunities for Improving Economy, Efficiency and Effectiveness – January 25, 2013
- Municipal Grants – Improving the Community Partnership and Investment Program – January 21, 2013
- City Accounts Payable – Payment Controls and Monitoring Require Improvement – January 17, 2013
- Electronic Data – Standardizing Data Formats Across City Information Systems – January 9, 2013
- Review of Wheel-Trans Services - Sustaining Level and Quality of Service Requires Changes to the Program - December 6, 2012
- Toronto Employment and Social Services - Income Verification Procedures Can Be Improved - October 6, 2012
- City Stores: Maximize Operating Capacity to Be More Efficient - October 5, 2012
- eCity Initiative - Improvements Needed in Governance, Management and Accountability - October 4, 2012
- A Mid-Term Review of the Union Station Revitalization: Managing Risks in a Highly Complex Multi-Year, Multi-State, Multi-Million Dollar Project - October 2, 2012
- Parks, Forestry and Recreation Division - Review of the Management of the City’s Golf Courses - September 25, 2012
- Procurement of 311 Toronto’s Information Technology System – Lessons for Future Procurement Processes – June 13, 2012
- Improving Reporting and Monitoring of Employee Benefits – June 12, 2012
- Review of Reporting on Use of Consultants – May 31, 2012
- Inventory Controls Over Traffic Control Devices in Transportation Services Need to be Improved – April 25, 2012
- Review of the Management of the City’s Divisional Accounts Receivable – April 12, 2012
- Review of the Energy Retrofit Program at Community Centres and Arenas – March 26, 2012
- Front Yard and Boulevard Parking – Improvements Needed to Enhance Program Effectiveness – February 7, 2012
- Toronto Community Housing Corporation Fleet Management – Lack of Oversight Has Led to Control Deficiencies – February 6, 2012
- Toronto Community Housing Corporation – The City and Toronto Community Housing Corporation Needs to Strengthen its Oversight of Subsidiaries and Other Business Interests – February 2, 2012

- Review of Coordinated Street Furniture Contract – Public Realm Section, Transportation Services Division – February 3, 2012
- Review of Controls Over Procurement and Payment Functions at TCHC Subsidiary: Housing Services Inc. – February 2, 2012
- Toronto Building Division – Building Permit Fees, Improving Controls and Reporting – January 23, 2012
- 311 Toronto – Full Potential For Improving Customer Service Has Yet To Be Realized – October 17, 2011
- The Deep Lake Water Cooling Project – Total City Costs and Benefits Need to Be Reported – October 10, 2011
- Toronto Animal Services – Licence Compliance Targets Need To Be More Aggressive – October 5, 2011
- Review of Infrastructure Stimulus Funding – Opportunities Exist to Improve Controls over Construction Projects – October 5, 2011
- Toronto Police Service, Parking Enforcement Review – October 3, 2011
- Remote Access to the City’s Computer Network – The Management of the Process Requires Improvement – September 8, 2011
- Toronto Police Service – Review of Integrated Records and Information System – August 26, 2011
- Red Light Camera Program – August 25, 2011
- Disposal of Digital Photocopiers – Protection of Sensitive and Confidential Data Needs Strengthening – June 16, 2011
- Transportation Services – Review of Winter Maintenance Services – April 26, 2011
- City Planning Division – Community Benefits Secured Under Section 37 or 45 of the Planning Act – March 31, 2011
- Toronto Police Service, Police Paid Duty – Balancing Cost Effectiveness and Public Safety – March 23, 2011
- Facilities Management Division Energy Efficiency Office – Management of Energy Loans and Grants Funded by the Ontario Power Authority – March 4, 2011
- Toronto Community Housing Corporation – Controls Over Employee Expenses Are Ineffective – February 25, 2011
- Toronto Community Housing Corporation – Procurement Policies and Procedures Are Not Being Followed – February 25, 2011
- Review of the Management and Funding for Inactive Landfill Sites – February 3, 2011
- Parks, Forestry and Recreation Division – Concession Agreements Review – January 19, 2011

- Toronto Environment Office – Review of Administration of Environmental Grants – January 17, 2011
- Governance and Management of City Computer Software Needs Improvement – January 7, 2011