



## STAFF REPORT ACTION REQUIRED

### Response to the Toronto Police Services Board's Audit Requests

<b>Date:</b>	March 1, 2016
<b>To:</b>	Audit Committee, City of Toronto
<b>From:</b>	Councillor Chin Lee, Acting Chair, Toronto Police Services Board

#### SUMMARY

---

The purpose of this report is to provide the Audit Committee with the Auditor General's plan to address the Toronto Police Services Board's ("the Board") recent audit requests.

#### RECOMMENDATION

---

It is recommended that the Audit Committee receive this report for information.

#### Financial Impact

---

There are no financial implications arising from the receipt of this report.

#### ISSUE BACKGROUND

At its meeting held on February 24, 2016, the Board was in receipt of a report dated February 3, 2016 containing the Auditor General's plan to address the Board's recent audit requests.

#### COMMENTS

---

The Board approved the report dated February 03, 2016 and agreed to forward a copy to the City of Toronto Audit Committee for information.

A copy of Board Minute No. P17/16 in the form attached as Appendix “A”, regarding this matter is provided for information.

## **CONTACT**

Councillor Chin Lee  
Acting Chair  
Toronto Police Services Board  
Telephone No. 416-808-8080  
Fax No. 416-808-8082

## **SIGNATURE**

---

Councillor Chin Lee  
Acting Chair

## **ATTACHMENT**

Appendix A – Minute No. P17/16

x: audit requests

## APPENDIX A

### THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON FEBRUARY 24, 2016

#### #P17            **RESPONSE TO TORONTO POLICE SERVICES BOARD'S AUDIT REQUESTS**

The Board was in receipt of the following report February 03, 2016 from Beverly Romeo-Behler, Auditor General, City of Toronto:

#### **SUMMARY**

---

The purpose of this report is to advise the Toronto Police Services Board of the Auditor General's plan to address the Board's recent audit requests.

In response to the Board's request, the Auditor General has incorporated an audit of the level 3 and 4 searches of persons into her 2016 Audit Work Plan. The audit is planned to start in the fall of 2016.

Also in 2016, the Auditor General's Office will extend its existing Continuous Controls Monitoring (CCM) program to include the Toronto Police Service's accounts payable transactions. Results of the CCM process will be reported to the Board in 2017.

An audit of the Police Service's management of capital projects will be considered for 2017 Audit Work Plan.

#### **RECOMMENDATION**

---

##### **The Auditor General recommends that:**

The Board forward this report to the City's Audit Committee for information.

##### **Financial Impact**

The recommendation in this report has no financial impact.

#### **ISSUE BACKGROUND**

The Toronto Police Services Board, at its June 18, 2015 meeting, requested the City of Toronto Auditor General to conduct an audit of the level 3 and 4 searches of persons carried out by members of the Toronto Police Service.

In addition, at its meeting on November 12, 2015, the Board requested the Auditor General to consider including the Toronto Police Service as part of the following three specific City-wide audits:

- long term disability
- capital project management
- accounts payable.

## **COMMENTS**

After considering the Board's requests, the Auditor General has decided the following:

### Audit of Level 3 and 4 Searches

An audit of the level 3 and 4 searches has been included in the Auditor General's 2016 work plan. The Auditor General plans to commence the audit in the fall of 2016.

The 2016 Audit Work Plan, adopted by the City Council at its November 2015 meeting, is available at:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-84582.pdf>

### Audit of Management of Long Term Disability (LTD) Benefits

In October 2015, the Auditor General completed a Phase I audit of the City's management of LTD benefits. The audit report and confidential attachment were adopted by the City's Audit Committee and City Council at their respective October 2015 and November 2015 meetings.

When conducting the Phase I audit, we consulted staff of the Toronto Police Service regarding its management of LTD benefits. Based on data provided by police staff, we noted that the Service has a significantly lower percentage of employees on LTD leave when compared with the City. Unlike the City which uses a third-party carrier to administer LTD claims, the Police Service has been using an in-house team to administer the majority of LTD claims. For comparative purposes, our Phase I audit report includes high-level information on how the Police Service manages its LTD benefits. The Phase I audit report is available at:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-84556.pdf>

In light of the Service's significantly lower incidence of LTD, as compared to the rest of the City, an audit of LTD benefits is not considered a priority at this time.

### Capital Project Management

An audit of the Police Service's management of capital projects will be considered for 2017 audit work plan.

## Accounts Payable

The Auditor General's Office has recently completed a Continuous Controls Monitoring (CCM) report on the City's accounts payable. The objective of the Auditor General's CCM Program is to provide management with periodic reports that assist in proactively monitoring financial transactions, detecting unusual expenses and identifying areas where internal controls could be strengthened. Exception reports are produced using specialized data analysis software.

The Auditor General's CCM process will be extended in 2016 to include the Police Service's accounts payable transactions, and the results will be provided to the Board in 2017.

## **CONTACT**

Jane Ying, Assistant Auditor General, Auditor General's Office  
Tel: 416-392-8480, Fax: 416-392-3754, Email: [jying@toronto.ca](mailto:jying@toronto.ca)

**The Board approved the foregoing report.**

**Moved by: C. Lee**