

## AUDITOR GENERAL'S OFFICE – 2018 AUDIT WORK PLAN

The Auditor General's 2018 Audit Work Plan reflects the additional capacity to undertake value for money audits and investigations provided through the temporary planned increases to the Auditor General's Operating Budget approved by City Council on February 15, 2017.

The scope of each audit may be modified after detailed planning for the project has started. Given the nature and complexity of the operation or subject matter, certain of these audit projects may be divided into multiple phases.

### 1. AUDITS IN PROGRESS

A number of audit projects from the 2017 Audit Work Plan are currently underway or are expected to commence in the fourth quarter of 2017. The audit reports for these projects will be presented to the Audit Committee in 2018.

In addition, in response to the Council-approved temporary increase of \$1.0 million to her 2017 Operating Budget, the Auditor General included five additional audits to her 2017 Audit Work Plan, most of which are currently underway. The status of all 2017 audit projects are described in Table 1.

**Table 1: Project Status of 2017 Audit Projects**

No.	Audit Project	Project Description	Status
<b><i>City Divisions</i></b>			
1.	Review of Children's Services	The audit will review the efficiency, effectiveness, and economy of municipally owned and directly operated child care centres. The audit may include a review of the eligibility approval process.	In progress – to be reported in 2018
2.	Review of Court Services Revenue Operations	The audit will focus on the controls over payment and collection of fines.	In progress – to be reported in 2018
3.	Review of Urban Forestry	The audit will focus on the operations and programs that maintain the City's urban forest and natural environment.	In progress – to be reported in 2018
4.	Review of the Green Lane Landfill Operations	This audit will evaluate the efficiency, effectiveness and economy of the management of the Green Lane Landfill operations including compliance with regulatory requirements.	Will commence in late 2017 – to be reported in 2018

No.	Audit Project	Project Description	Status
5.	Review of City-Wide Data Center Facilities	This audit will assess the City's data storage plans and status of shared services project recommendations concerning rationalization of data centre facilities. An assessment of disaster recovery planning and capabilities could also be included as part of the review.	Will commence in late 2017 – to be reported in 2018
6.	(New) Review of Toronto Fire Services Operations Command Unit	This audit will focus on the cost effective deployment of resources allocated to the Fire Rescue & Emergency Response Program.	In progress – to be reported in 2018
7.	(New) Engineering & Construction Services - Capital project contract tendering and management	This audit will focus on the award and management of major capital repairs, maintenance and construction contracts.	Will commence in late 2017 – to be reported in 2018
8.	(New) Information Technology Network Infrastructure	The audit focuses on information technology architecture, network design and operational configuration.	In progress – to be reported in 2018
9.	(New) Information Technology Asset Management	This audit focuses on the assessment of controls in managing and accounting of information technology assets at the City.	In progress – to be reported in 2018
10.	(New) City-owned leased properties (Multiple Audits involving various City Divisions, Agencies and Corporations)	This audit will include a review of the administration of leased properties within the Real Estate Services portfolio as well as leases managed by the Parks, Forestry & Recreation Division. The audit may be expanded to include leases managed by other divisions, agencies, and corporations.	In progress – to be reported in 2018
<b>Agencies and Corporations</b>			
11.	Review of the redevelopment and revitalization of Toronto Community Housing communities	The audit will focus on the process to identify development partners, management of related construction contract activities and evaluate program success.	In progress – to be reported in 2018
12.	Toronto Transit Commission - Review of telecommunication expenses	The audit will assess controls over the payment of voice and data service plans and oversight of telecommunication expenses.	In progress – to be reported in 2018
13.	Toronto Transit Commission - PCard purchases and expense policies	This audit is an extension of the procurement and accounts payable audits that were completed in 2017. The audit will focus on TTC's expense policies and purchases through PCards and other means.	Will commence in late 2017 – to be reported in 2018

## 2. DEFERRED AUDIT PROJECTS

At the request of the Chief Executive Officer of the Toronto Transit Commission (TTC), the 2017 planned audit of revenue operations has been deferred to 2018. The Auditor General recognizes that the upcoming opening of the Toronto-York Spadina Subway Extension is a significant undertaking that demands the attention of virtually every TTC department.

The IT Security Controls Review of the City's Critical Systems has been deferred to a later date in light of the other ongoing audits of Information Technology. Additionally, management is in the process of implementing recommendations from the previous audits of Information Technology Vulnerability and Penetration Testing.

## 3. NEW AUDIT PROJECTS FOR 2018

Audit projects planned to commence in 2018 are described in Table 2. Additional projects contingent on planned funding increases of \$1.5 million to the Auditor General's 2018 Operating Budget are described in Table 3.

**Table 2: New Audit Projects Planned for 2018**

No.	Audit Project	Project Description
<b>City Divisions</b>		
1.	Operational audit of shelter, support and housing services	This audit will focus on the administration of the shelter system in providing shelter and care services as mandated. The audit could also include a review of state of good repair projects.
2.	Vendor direct billing and payments	This audit will include a review of policies, procedures, and controls over vendor billing through electronic interface and related payment processing.
3.	Operational audit of Parks Branch	This audit will review the delivery of parks related services. This audit may include a review of the management of the construction and maintenance programs for City parks.
<b>Agencies and Corporations</b>		
4.	Toronto Transit Commission - Revenue Operations	This audit was deferred from 2017. It will review the efficiency and effectiveness of TTC's Revenue Operations.

No.	Audit Project	Project Description
5.	Toronto Transit Commission - Information technology audit project(s)	IT audit(s) may be selected from a number of areas, such as: <ul style="list-style-type: none"> <li>• Information Technology Network Infrastructure</li> <li>• Information Technology Asset Management</li> <li>• IT vulnerability reviews</li> <li>• Acquisition and implementation of major IT applications and enterprise solutions, such as SAP</li> <li>• Other IT projects</li> </ul>
6.	Operational audit at Toronto Community Housing Corporation (multiple audits)	The Auditor General plans to begin a series of audits at TCHC.  Potential areas of review may include: <ul style="list-style-type: none"> <li>• Asset Management</li> <li>• Capital Program Planning</li> <li>• Capital Contract Management</li> <li>• Contract Managed Properties</li> <li>• Corporate Services</li> <li>• Rent Subsidy</li> </ul>
7.	Toronto Police Service - Regulated Interactions	This review will include an independent assessment of compliance with the Regulation, Policy, and Procedure for regulated interactions between the police and a public member, commonly known as “carding” or “street checks”.

**Table 3: Additional projects that may be added to the 2018 Work Plan** (contingent on the planned funding increase as per EX22.2 Recommendation #250)

No.	Audit Project	Project Description
<b>City Divisions</b>		
1.	Operational audit of human resource related areas	Potential area(s) to be assessed at the time of audit.
2.	Administration of the centralized social housing waitlist	This audit will focus on management and controls over the centralized waiting list for social housing. The audit will also assess the adequacy of processes and controls in place to ensure agency contracts are properly managed.
3.	Operational audit of City Planning Division	This audit will focus on controls, economy and efficiency of City Planning operations including processing of development applications.
4.	Investment policy compliance by City agencies and corporations	This audit will include a review of compliance with investment policies and procedures at selected Agencies and Corporations. The audit may include a review of cash management practices.

No.	Audit Project	Project Description
5.	Operational audit of Fleet Services	This audit will focus on the review of vehicle and equipment repair and maintenance, costs, controls and processes for in-house and contracted services. The audit could also include acquisition and management of the inventory of fleet and equipment.
<b><i>Agencies and Corporations</i></b>		
6.	Toronto Transit Commission - Procurement and management of capital projects	<p>This audit will focus on tendering processes, contract management, change order controls, and recovery of monies from third parties.</p> <p>Potential capital projects may include:</p> <ul style="list-style-type: none"> <li>• Toronto-York Spadina Subway Extension (TYSSE)</li> <li>• Subway Station Easier Access</li> <li>• Toronto Rocket Yard Accommodation</li> <li>• Automatic Train Control</li> </ul>
7.	Audit of Toronto Hydro operations	Potential area(s) to be assessed at the time of audit.

## AUDIT AND INVESTIGATION REPORTS ISSUED FROM 2013 TO 2017

### Expected at the October 27, 2017 Audit Committee Meeting

1. A Review of Municipal Licencing and Standards Division's Management of Business Licences - Part One: Licence Issuance, Inspection and Complaint Investigation Functions
2. A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Two: Licensed Holistic Centres
3. A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs
4. Auditor General's Observations on the Quantity of Product Realized from the City's Single Stream Recyclable Material (Blue Bin) Program
5. Improving the Effectiveness of the Basement Flooding Protection Subsidy Program
6. Toronto Building Division: Conditional Permits
7. Obtaining Best Value Through the Use of Vendor Rosters
8. Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management
9. Auditor General's Office – Review of Complaint regarding the June 29, 2016, Toronto Transit Commission Briefing Note

### 2017

10. Auditor General's Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2 – June 22, 2017
11. Real Estate Services Division – Restore Focus on Union Station Leasing – June 13, 2017
12. Supplementary report to the Auditor General's Phase One Report "The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims" – June 13, 2017
13. Review of Toronto Transit Commission – Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings - May 15, 2017
14. Management of the City's Employee Extended Health and Dental Benefits, Phase Two: Ineffective Controls and Plan Design Leaving the City Vulnerable to Potential Benefit Abuse – March 20, 2017
15. Detection of Warning Signs for Potential Bid Rigging Should be Strengthened – March 17, 2017
16. Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts – March 10, 2017

17. Information Technology Vulnerability Assessment and Penetration Testing – Wrap-up Phase I and Phase II – March 10, 2017
18. Audit of Water Billing and Collections – Phase II: Water Billing and Water Meter Management Controls Require Improvement – March 10, 2017

## **2016**

1. Management of the City's Long-Term Disability Benefits – Phase Two: The Need for a Proactive and Holistic Approach to Managing Employee Health and Disability – October 13, 2016
2. Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue – October 13, 2016
3. Audit of Water Billing and Collection – Phase II: Part 2 – Management of Water Supply Contract for the Region of York – October 13, 2016
4. Auditor General's Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - October 24, 2016
5. Strengthening Enforcement of the Fair Wage Policy – October 13, 2016
6. Audit of Information Technology Vulnerability and Penetration Testing – Phase II: Internal Penetration Testing, Part 1 – Accessibility of Network and Servers – October 24, 2016
7. Management of the City's Employee Extended Health and Dental Benefits – Phase One – The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims – October 24, 2016
8. Management of the City's Long-Term Disability Benefits, Phase Two: Interim Report on the Approval and Monitoring of Claims – June 30, 2016
9. Improving the Tendering Process for Paving Contracts – June 27, 2016
10. Audit of City Cleaning Services – Part 2: Maximizing Value from Cleaning Contracts – June 14, 2016
11. Audit of City Cleaning Services – Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services – June 14, 2016
12. Audit of Toronto Transit Commission Materials and Procurement Department, Phase One: Improving Controls to Safeguard Inventory – May 12, 2016
13. Audit of Water Billing and Collection – Phase I: Overdue Water Account Collections Require Strengthening – February 17, 2016
14. Audit of Information Technology Vulnerability and Penetration Testing - Phase 1: External Penetration Testing – February 16, 2016
15. Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities – January 12, 2016

## **2013 – 2015**

1. Toronto Parking Authority – Phase 1: Audit of Real Estate Activities – October 15, 2015
2. Maximizing Value from a Learning Management System – October 7, 2015

3. Improving Property Tax Assessments and Payment in Lieu of Taxes (PILTS) – October 3, 2015
4. Management of the City's Long-Term Disability Benefits, Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits – October 6, 2015
5. Improving the Administration of City Training Programs – May 1, 2015
6. Service Efficiency Consultants Studies – Extent of Value for Money from Studies Has Not Been Clearly Demonstrated – February 11, 2015
7. Auditor General's Report – Review of Toronto Transit Commission Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement – February 6, 2015
8. 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
9. Review of Divisional Purchase Orders – February 5, 2015
10. Software Licenses – Managing the Asset and Related Risks – February 4, 2015
11. Facilities Management – Security and Safety Improvements Required – February 3, 2015
12. Operational Review of Invest Toronto Inc. – December 3, 2014
13. Operational Review of Build Toronto Inc. – November 17, 2014
14. Opportunities to Enhance the Oversight of Non-Union Employee Separation Costs – June 11, 2014
15. Controls Over Telecommunication Expenses Need Improvement – June 10, 2014
16. Strengthening the City's Oversight of Social Housing Programs – June 2, 2014
17. Cost Benefits of Extended Warranties for Construction Projects Are Unknown – May 1, 2014
18. Review of the Redevelopment of the Sony Centre for the Performing Arts – April 24, 2014
19. Review of 2016 Pan American/Parapan American Games' Capital Projects – April 17, 2014
20. Opportunities to Enhance Employee Absenteeism Performance Measures and Reporting of Results – April 11, 2014
21. Review of Training, Conference and Related Travel Expenses – February 7, 2014
22. District 2 Curbside Collection Contract - Review of Cost Savings and Opportunities for Improving Contract Monitoring – February 6, 2014
23. Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration – January 28, 2014
24. Toronto Building – Improving the Quality of Building Inspections – January 15, 2014
25. Emergency Medical Services – Payroll and Scheduling Processes Require Strengthening – October 3, 2013



26. Toronto Employment and Social Services – Review of Employment Services Contracts – September 30, 2013
27. Local Road Resurfacing – Improvements to Inspection Process Required to Minimize Incorrect Payments to Contractors – September 25, 2013
28. IT Service Desk Unit – Opportunities for Improving Service and Cost-Effectiveness – September 18, 2013
29. Toronto Fire Services – Improving the Administration and Effectiveness of Firefighter Training and Recruitment – September 16, 2013
30. Auditor General’s Hotline Investigation Report: Fleet Services Division – Review of Various Equipment Maintenance Practices – August 31, 2013
31. Local Road Resurfacing – Contract Management Issues – May 10, 2013
32. Toronto Water – Review of Construction Contracts – May 7, 2013
33. Financial Planning Analysis and Reporting System (FPARS) - A Large Scale Business Transformation/Information Technology Project – May 2, 2013
34. Reliable Data is Needed for Effective Fleet Management – April 18, 2013
35. Municipal Licensing and Standards, Investigation Services Unit – Efficiencies Through Enhanced Oversight – January 30, 2013
36. Appraisal Services Unit - Opportunities for Improving Economy, Efficiency and Effectiveness – January 25, 2013
37. Municipal Grants – Improving the Community Partnership and Investment Program – January 21, 2013
38. City Accounts Payable – Payment Controls and Monitoring Require Improvement – January 17, 2013
39. Electronic Data – Standardizing Data Formats Across City Information Systems – January 9, 2013