

## High Priority Outstanding Recommendations Identified by the Auditor General

### City Divisions in Community and Social Services

The status of outstanding audit recommendations is based on the results of 2019 follow-up review to be reported to the May 2019 Audit Committee meeting.

The 2018 follow-up report is available at:

<https://www.toronto.ca/legdocs/mmis/2018/au/bgrd/backgroundfile-111694.pdf>

**No High Priority Recommendations Identified by the Auditor General's Office.**

### City Divisions in Infrastructure and Development Services

The status of outstanding audit recommendations below is based on the results of 2018 follow-up review. The 2019 follow-up review is currently underway and the results of the review will be reported to the June 2019 Audit Committee meeting

The 2018 follow-up report is available at:

<https://www.toronto.ca/legdocs/mmis/2018/au/bgrd/backgroundfile-117927.pdf>

**Division: Toronto Building**

**Report Date: 01/15/2014**

**Report Title: Toronto Building - Improving the Quality of Building Inspections**

Rec No.	Audit Recommendation
3.	City Council request the Chief Building Official and Executive Director review the current administrative process and the controls related to outstanding violations. Such a process ensure that there is ongoing supervisory review of all outstanding violations. In particular, the review should include an immediate evaluation of "unsafe orders" and, where appropriate, immediate action be taken.

### City Divisions in Corporate Services and Chief Financial Officer and Treasurer

The status of the outstanding audit recommendations below is based on the results of 2018 follow-up review. The 2019 follow-up review will commence in Q2 2019 and the results of the review will be reported to the October 2019 Audit Committee meeting.

The 2018 follow-up report is available at:

<https://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-124550.pdf>

**Division:** Facilities Management  
**Report Date:** 06/14/2016  
**Report Title:** Audit of City Cleaning Services – Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services

Rec No.	Audit Recommendation
2.	City Council request the General Manager, Facilities Management to develop the corporate procedure to ensure compliance for measuring and establishing the cleanable area for a City facility.

**Division:** Facilities Management  
**Report Date:** 06/14/2016  
**Report Title:** Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts

Rec No.	Audit Recommendation
3.	City Council request the General Manager, Facilities Management to compare current contracted cleaning service levels to the standard service level in the Custodial Standard Service Model and industry cleaning times to examine opportunities to reduce costs.
9.	City Council request the General Manager, Facilities Management, to implement controls to monitor actual services delivered and cleaning hours provided are in accordance with contracts. Where services do not adhere to contracts, payments should be adjusted for any variances in actual cleaning hours provided.

**Division:** Facilities Management  
**Report Date:** 02/03/2015  
**Report Title:** Facilities Management - Security and Safety Improvements Required

Rec No.	Audit Recommendation
1.	City Council request the Chief Corporate Officer to develop a plan to complete a review of physical security at all City facilities using a risk based approach and to address any deficiencies found during the review.
2.	City Council request the Chief Corporate Officer to perform the appropriate follow up reviews to ensure identified security deficiencies are adequately addressed by the divisions.

**Division:** Information and Technology  
**Report Date:** 02/16/2016  
**Report Title:** Audit of Information Technology Vulnerability and Penetration Testing- Phase 1: External Penetration Testing

Rec No.	Audit Recommendation
2.	City Council request that the Chief Information Officer to develop a cybersecurity program that includes ongoing vulnerability assessment and penetration testing using current tools used by industry subject matter experts. The testing tools adopted by the City should be updated regularly and provide ongoing reporting and metrics around existing and newly discovered threats.

**Division:** Revenue Services  
**Report Date:** 10/13/2016  
**Report Title:** Audit of Water Billing and Collection - Phase II: Part 1- Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue

Rec No.	Audit Recommendation
1.	<p>City Council request the Chief Building Official and Executive Director to develop an action plan to resolve dormant permits. The Action Plan should include:</p> <ul style="list-style-type: none"> <li>a. A communication strategy to educate property owners about their responsibilities and obligations to inform the City about the progress of their construction project.</li> <li>b. A strategy to prioritize the review of permits that have been open for an extended period of time and are classified as vacant land.</li> </ul>
2.	<p>City Council request the Director, Revenue Services and the Chief Building Official develop exception reports to monitor the classification status of vacant land properties, such as:</p> <ul style="list-style-type: none"> <li>a. Reports identifying properties with completed construction still coded as vacant land.</li> <li>b. Reports of properties with open permits coded as vacant land and consuming water.</li> </ul>
3.	City Council request the Director, Revenue Services review the reported vacant land properties to identify such properties to the Municipal Property Assessment Corporation (MPAC) to ensure that appropriate property taxes may be billed and recovered.
4.	City Council request the Chief Building Official and Executive Director to implement measures that will deter the occurrence of no show inspection visits. The measure should include an assessment of whether a fee can be charged to property owners for 'no show' inspection visits where these visits are pre-scheduled.

**Division: Revenue Services**  
**Report Date: 02/17/2016**  
**Report Title: Audit of Water Billing and Collection- Phase 1: Overdue Water Account Collections Require Strengthening**

Rec No.	Audit Recommendation
1.	City Council request the Director, Revenue Services, to develop a report identifying high risk and high value accounts. The report should be reviewed for long outstanding overdue accounts on a quarterly basis to ensure that appropriate measures for collection are taken.
2.	City Council request the Director, Revenue Services, to develop a report to identify missing information in water accounts and ensure accounts are updated.
3.	City Council request the Director, Revenue Services, to develop criteria for assignment of long overdue accounts to third-party collection services. Assignments should be tracked and collection agency performance should be monitored.
6.	City Council request the Director, Revenue Services, to periodically review all accounts with outstanding water account balances that do not have a corresponding property tax roll and ensure missing tax roll information in the water billing system are investigated and resolved.
7.	City Council request the Director, Revenue Services, in consultation with the City Solicitor, to review the potential of charging interest on outstanding water account balances that are not eligible for transfer to property taxes. Such a change may require amendment to the City of Toronto Municipal Code.
8.	City Council request the Director, Revenue Services, to develop a process for periodic review of overdue accounts with "Do Not Transfer" status to ensure that these accounts are followed-up and their collection efforts are expedited. Specific collection approaches should be developed to improve collections on overdue accounts for each type of account holder or owner.
11.	City Council request the Director, Revenue Services, to ensure bills for new accounts and final bills for accounts that are being closed are issued and collected on a timely basis. Benchmarks for expected timelines for issuing bills upon creation or closure of accounts should be developed, with performance against the benchmarks monitored and any significant deficiencies resolved.
13.	City Council request the Director, Revenue Services, to review existing outstanding balances for inactive accounts and develop a strategy to collect these accounts.
14.	City Council request the Director, Revenue Services, to review credit balances for inactive accounts and coordinate with the Deputy City Manager and Chief Financial Officer, and the City Solicitor with a view to evaluating whether credit balances in 'Inactive Accounts' can be transferred to revenue.

Rec No.	Audit Recommendation
18.	<p>City Council request the Director, Revenue Services, in consultation with the General Manager, Toronto Water, to:</p> <p>a. Establish a formal protocol for setting up in the water billing system non-billable City accounts (where water consumption requires tracking but no payments are required from the Divisions), as well as, billable accounts (where payments are required from the Divisions for water service provided); and</p> <p>b. Review existing internal City accounts with overdue balances to determine if these are collectible and billable. The account status should be updated accordingly and outstanding balances should be collected or written-off.</p>

**Division:** Revenue Services  
**Report Date:** 10/03/2015  
**Report Title:** Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)

Rec No.	Audit Recommendation
2.	City Council request the Director Revenue Services develop a process and criteria to identify where Payment in Lieu of Tax amounts paid by the government agencies are significantly less than requested amounts, and take steps to invoke the review process when warranted.
4.	City Council request the Director Revenue Services develop a process and criteria to identify where Payment in Lieu of Tax payments may be deemed unreasonably delayed and request supplementary payments where warranted.

**Division:** Pension, Payroll & Employee Benefits  
**Report Date:** 10/24/2016  
**Report Title:** 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

Rec No.	Audit Recommendation
3.	<p>City Council request the Treasurer to undertake necessary steps to ensure the City's benefits plans are cost-effective and follow industry standards and best practice, including but not be limited to:</p> <p>a. Consultation, on a regular basis, with industry experts and the new plan administrator to identify industry standards and acceptable practices for drug benefit coverage limits, particularly in areas where utilization by the City's members is significantly higher than industry standards or benchmarks; and</p> <p>b. Recommending reasonable maximum plan coverages for the appropriate drugs with consideration for special circumstances.</p>

<b>Rec No.</b>	<b>Audit Recommendation</b>
7.	<p>City Council request the Treasurer to ensure the City only reimburses over-the-counter drug claims in accordance with City policies and to ensure cost effective reimbursement of over-the-counter drug claims. Steps should be taken but not be limited to:</p> <ul style="list-style-type: none"> <li>a. Following up with Manulife to validate the eligibility of over-the-counter drug claims to ensure they meet the life sustaining requirements in the City's policies and recover any ineligible amounts paid;</li> <li>b. Ensuring the new plan administrator has a process in place to obtain evidence of life sustaining purpose when reimbursing over-the-counter drugs in accordance with City policies; and</li> <li>c. Working with the new plan administrator to develop ways to minimize the cost of dispensing fees for eligible over-the-counter drug claims.</li> </ul>
15.	<p>City Council request the Treasurer to undertake a review of the City's records of eligible individuals for health benefits coverage to ensure accurate and complete information in the City's system. A review of the health benefit claim histories should be conducted on individuals with questionable or missing dates of birth. Where claim reimbursements were made for ineligible individuals, steps should be initiated to recover overpayments.</p>