

## CITY DIVISIONS IN CORPORATE SERVICES AND FINANCE AND TREASURY SERVICES

### PUBLIC AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED

***FOR RECOMMENDATIONS REPORTED AS NOT FULLY IMPLEMENTED, THE  
AUDITOR GENERAL DOES NOT CONDUCT ANY AUDIT WORK TO VERIFY  
MANAGEMENTS' ASSERTIONS***

**Division: 311 Toronto**

**Report Date: 10/17/2011**

**Report Title: 311 Toronto - Full Potential For Improving Customer Service Has Yet To Be Realized**

No.	Recommendation	Management Comments
002 <sup>^</sup>	City Council request the Deputy City Managers, in consultation with the Director of 311, to conduct a comprehensive review of business processes of the call centers operated by Solid Waste Management, Municipal Licensing and Standards, and Urban Forestry, with a view to streamlining processes to effect a consolidation of operations.	<p>An informal business process review of the functions performed within the call centres operated by Solid Waste Management, Municipal Licensing and Standards, and Urban Forestry has been completed. These call centers provide functional services such as dispatching and Tier 2 escalation services.</p> <p>However, a comprehensive customer service review is currently underway that will assist in identifying how all Tiers across the City are coordinated and consolidated to ensure that the delivery of customer service is consistent across all divisions. This review will be completed by Q2 of 2020 and will provide a roadmap of any additional consolidations that could possibly take place.</p>
003 <sup>^</sup>	City Council request the Director, 311 Toronto Division, in consultation with the General Managers/Executive Director of Solid Waste Management, Transportation Services, Toronto Water, Municipal Licensing and Standards, and Parks, Forestry and Recreation, to improve the service request status information such that customers are provided with accurate and clear status information on-line.	<p>The City has now selected Salesforce as its software of choice and is moving forward with it as an Enterprise-Wide solution for the Customer Relationship Module (E-CRM). As 311 Toronto proceeds with phase 2 of the implementation of the E-CRM, it will become easier for partner divisions to populate and share status updates.</p> <p>Salesforce functionality allows for Omni Channel so any update available in the system will also be available online.</p> <p>It is projected that an end to end rollout with online capabilities will be live by Q4 of 2020.</p>

\*High priority outstanding recommendations

<sup>^</sup>Recommendations remain outstanding for longer than five years

**Division: Accounting Services**

**Report Date: 04/12/2012**

**Report Title: Review of The Management of the City's Divisional Accounts Receivable**

No.	Recommendation	Management Comments
001 <sup>^</sup>	City Council request the City Manager to review the current management of all City-wide receivables. Such a process should be a part of the ongoing shared service review. The review should include an evaluation of centralizing the collection efforts of all outstanding receivables.	At this time, Accounting Services, under the guidance of the Controller, will be embarking on a full accounting process and system review that will incorporate the management of accounts receivable, payables and the City's financial information. Operating models will be incorporated into this review. This work is expected to begin in Q3 of 2019 when a plan and timelines will be developed.
003 <sup>^</sup>	City Council request the Treasurer to review current SAP management reports pertaining to the management of receivables. The reports should contain relevant and current information and include performance management information.	All reporting requirements will be incorporated in the work described above.
007 <sup>^</sup>	City Council request the Treasurer to assess the feasibility of using the City SAP Financial System to the fullest extent in tracking actions taken on customer accounts sent to Legal Services and collection agencies.	This recommendation will be incorporated into the work outlined above

**Division: Accounting Services**

**Report Date: 10/27/2009**

**Report Title: City Purchasing Card (Pcard) Program - Improving Controls Before Expanding the Program**

No.	Recommendation	Management Comments
018 <sup>^</sup>	<p>The Treasurer develop and implement strategies to promote and expand the use of PCards by City divisions. Such strategies should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>a. Analyzing divisional purchasing patterns to identify potential areas for expansion</li> <li>b. Developing and implementing measures to increase the use of PCards by divisions</li> </ul>	Although there have been some initiatives implement to expand the use of Pcards, at this time, this work is on hold pending corporate initiatives such as the implementation of SAP Ariba and review of the Business Expense Policy. Once the corporate direction related to how procurements are made has been finalized, review of the use of PCards as a payment tool will be assessed with all other payment tools. We do not anticipate this work will be completed within 2019.

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No.	Recommendation	Management Comments
	c. Setting performance goals for the City based on the number of participating divisions and yearly PCard purchase volume.	

**Division: Environment & Energy****Report Date: 03/26/2012****Report Title: Review of the Energy Retrofit Program at Community Centres and Arenas**

No.	Recommendation	Management Comments
003 <sup>^</sup>	City Council request the Director, Energy and Strategic Initiatives, to provide appropriate operations staff with detailed facility by facility reporting of energy savings achieved as a result of the Energy Retrofit Program. Where such savings have not met objectives, appropriate remedial action, where feasible, be taken to maximize energy savings.	Detailed facility reports on energy savings were provided to PF&R staff for review and discussions. PF&R has agreed that securing BAS Maintenance/Service Contracts is the appropriate remedial action to be taken to maximize energy savings. 61 PF&R Buildings were part of the ERP program where new or upgrades to the existing BAS systems were part of the energy efficiency measures implemented. As of June 10 2019, 48 of the 61 buildings that included BAS work activities in the ERP have a BAS maintenance contract. See attached table for details.
005 <sup>^</sup>	City Council request the Director, Energy and Strategic Initiatives, in consultation with the General Manager, Parks, Forestry and Recreation to review alternatives and implement effective support and maintenance of building automation systems. The alternatives should include:  a. Centralized monitoring of building automation systems; b. establishing in house building automation system expertise; c. Additional and ongoing training for staff responsible for monitoring and maintaining building automation systems; and d. Reviewing equipment not currently connected to each building automation system to determine if it would be advantageous to control the equipment through the building automation system.	Having the BAS systems upgraded to a network solution will facilitate centralized monitoring/access. PF&R wants to and will upgrade all standalone BAS systems (in the 61 buildings) to a network solution subject to budget availability. So far 15 BAS system have been connected to City Network for centralized monitoring/access. The remaining 46 BAS systems would require an estimated budget of \$1 million to be connected to City network.  The Environment & Energy Division (EED) has established a team of 3 BAS experts who are providing technical support to PF&R Division staff;  Ongoing training is part of the services required in the BAS Maintenance/Service Contracts. (as of June 10, 2019, there are 48 maintenance contracts which include Training for operations' staff. PF&R is accountable to ensure that the provision of training is fully accessed to fulfil staff training needs.  In the recently awarded BAS Maintenance/Service Contracts the scope of work includes conducting and reporting on the condition assessment of the existing BAS systems and equipment that could be connected to them.  The reports (33 reports received) were reviewed by PF&R and EED BAS Team and evaluated for the recommendations and next steps. Subject to funding allocation by PF&R, recommendations may be implemented.
006 <sup>^</sup>	City Council request the Director, Energy and Strategic Initiatives in	The cost of the BAS Maintenance/Service Contracts for 48 buildings is \$952,042 for a duration of 2 years and 3 additional 1

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No.	Recommendation	Management Comments
	consultation with the General Manager, Parks, Forestry and Recreation to track costs specifically attributable to support and maintenance of building automation systems, where feasible, and include this information in any analysis of the net benefits achieved.	<p>year periods.</p> <p>The contracts were awarded in between 2014 and 2016. Specific issues previously identified were addressed shortly after contract award. Based on site assessments (sample attached) completed as part of the Scope of Work, PF&amp;R in consultation with the EED- BAS Team will implement further upgrades based on recommendations in the reports and subject to budget availability.</p> <p>For the remaining 13 buildings the BAS Maintenance/Service Contracts could be added subject to PF&amp;R budget availability. The estimated cost for the 13 BAS Maintenance/Service Contracts is \$300,000.00 over a typical 5 year contract time frame</p>

**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**

No.	Recommendation	Management Comments
001	City Council request the General Manager, Facilities Management to ensure all current cleaning routines, as well as any future adjustments to cleaning routines, are benchmarked with industry standard cleaning times.	<p>In 2017 the CSSM (Custodial Standardize Service Model) was integrated into six (6) of the eight (8) external custodial contracts which has standardized the service offered to 70+ facilities. The standardized service levels will allow FM to implement and measure performance against industry best practices. These will be further refined in the next phase of custodial contracts which will look to consolidate the remaining external services under a consistent standard and will allow to align with industry best practices.</p> <p>Facilities receiving in house custodial services are scheduled to be transitioned once all external locations are complete in 2020. In house service levels are expected to be transitioned within 2021.</p>
002*	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.	<p>Facilities Management has developed a framework for a procedure for the calculation of the cleanable square footage.</p> <p>This framework will be used to create a corporate procedure to use for measuring and establishing cleanable area for a City facility, taking into consideration the variability in the facilities portfolio. Expected to be implemented in 2020.</p>
003	City Council request the General Manager, Facilities Management to validate the available measurements in accordance with the established corporate procedure.	<p>FM has integrated all available cleanable square footage information into the latest consolidated RFP. This detail greatly improved the proponent's ability to estimate the cost and required service.</p> <p>FM will ensure the corporate procedure is followed in all remaining facilities not included in the initial consolidated RFP, for the next phase of custodial contracts. In house serviced facilities will also use the same procedure to benchmark and analysis purposes. This is expected for 2020.</p>

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No.	Recommendation	Management Comments
004	<p>City Council request the General Manager, Facilities Management to:</p> <ul style="list-style-type: none"> <li>a. Implement a process to ensure that a complete and accurate inventory of City facilities receiving custodial services is centrally maintained.</li> <li>b. Ensure the centralized data source includes all relevant information, including labour costs, to effectively monitor performance of custodial services and support operating decisions made by executive management as well as operational managers and supervisors.</li> <li>c. Establish a protocol for ensuring data is kept accurate and up-to-date for each City facility.</li> </ul>	<p>FM is currently reviewing the City's building inventory list and updating key attributes, including services provided such as custodial services. This information will be combined with existing cost data in SAP by facility, and the updated measurements from recommendation 3. The plan will be to update, store and centrally maintain this data with the City's SAP system. Expected by 2020.</p>
005	<p>City Council request the General Manager, Facilities Management to effectively workload each City facility receiving cleaning services, either in-house or contracted. Such undertaking to include actions to:</p> <ul style="list-style-type: none"> <li>a. ensure accurate operational data is available</li> <li>b. workload each facility by applying current industry standard cleaning times and tasks</li> <li>c. schedule the cleaning workforce in accordance with the estimated workload</li> </ul>	<p>FM has documented and standardized 75% of the contracted facilities under its oversight. This will be used in future RFPs for custodial services. The actions taken related to the recommendations 2-4 will ensure accurate data is available.</p> <p>Staff have prioritized resources to address issues with contracted cleaning services. Once the next phase of custodial contracts are developed, staff will focus efforts to ensure in-house cleaning services are work loaded and are consistent with industry standards, where applicable. A plan will be developed related to this later in 2020 with expected implementation by 2021.</p>
006	<p>City Council request the General Manager, Facilities Management to assess and define the level of cleanliness that can be associated with each level of cleaning service in the Custodial Standard Service Model.</p>	<p>Facilities Management has standardized the CSSM and defined the levels of cleaning within the standard operating procedures for each task. The model has presented challenges due to the diversity of the City's property portfolio with buildings of various size, usage and age, and client divisions have identified business requirements that require higher level of service than stipulated in the current model.</p> <p>In light of these challenges FM is planning to incorporate performance-based cleaning levels with the next phase of custodial service contracts. This will bring the City in line with developments with the FM industry, which has moved away from frequency-based models and accepted performance-based outcomes as a best practice. As noted in recommendation 5,</p>

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No.	Recommendation	Management Comments
		this will be applied to the contracted services first, with the in-house cleaning to follow. These changes are expected to occur in 2020, with completion expected by the end of 2020.
007	City Council request the General Manager, Facilities Management to ensure each client group is provided with information about the cleaning service level they are receiving relative to the Custodial Standard Service Model and the associated costs of services provided. Such information be used to examine the opportunities to achieve more economical cleaning services.	<p>Facilities Management is in the process of reengaging all client groups and having the CSSM reviewed and formalized for each specific client group.</p> <p>This will be carried out as contracted cleaning services are further consolidated and as internal serviced locations are aligned with the levels of contracted service locations (expected for 2020).</p>
008	City Council request the General Manager, Facilities Management to ensure that appropriate operational planning for cleaning services is performed to ensure workloads are based on a reasonable estimation of the productive labour hours of the workforce.	FM, in support of the new City-wide real estate model (CWRE), will be reviewing all of its operations. One aspect of this will be work loading of staff providing services, including custodial services. This will feed into operational planning and overall resourcing needs. This task will be completed over the implementation of the new CWRE model, over the 3 year period (by 2021).
009	City Council request the General Manager, Facilities Management to identify, monitor, and report on key performance metrics on a regular basis relative to internal and external benchmarks for the purposes of regularly assessing the effectiveness and efficiency of cleaning services.	<p>Cost and Quality KPI's have been developed, and are being refined, and are scheduled to go live in 2020 for all properties that are consolidated into a standard and consistent contract for custodial services.</p> <p>As properties transition to the CSSM, and the model this refined, the KPI's will be introduced to ensure the quality and cost effectiveness of the service is maintained. This item will be fully rolled out to internal and external service as further consolidation happens for the contracts, as data becomes available for the internally serviced locations, and as further standardization occurs across the portfolio.</p>
010	City Council request the General Manager, Facilities Management to implement a program of quality assurance inspections of cleaning services to be deployed across the City and adopted consistently by the Facilities Management Division.	<p>Cost and Quality KPI's have been developed, and are being refined, and are scheduled to go live in 2020 for all properties that are consolidated into a standard and consistent contract for custodial services.</p> <p>FM is currently staffing new Quality Assurance roles and developing workplans. FM will prioritize these resources to focus on custodial services once consistent standards are developed, and will commence with contracted services first, followed by in-house services.</p>
012	City Council request the General Manager, Facilities Management to plan, implement and incorporate the results of customer satisfaction surveys to improve custodial services delivery.	FM will be carrying out customer satisfaction surveys on all services offered by Facilities Management. This will include custodial services and is scheduled to be implemented by 2020.

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013	City Council request the General Manager, Facilities Management to collaborate with the Executive Director of Human Resources to ensure that vulnerable sector screening is adequately addressed for all City staff who provide services in high risk facilities, such as daycares.	FM incorporated language into its latest contract to ensure employees of its contractors pass vulnerable sector checks and other necessary checks required by the use of the facility (Police facilities). Furthermore, FM is following a process in conjunction with Children's Services in terms of access to daycare sites, whether it be internal serviced locations or sites serviced by contractors, to ensure compliance with its standards. In terms of all City staff who provide services in high risks facilities, FM will engage with People and Equity to access the requirements and impacts of this recommendations. It is expected this recommendation will be addressed by mid-2020.
014	City Council request the City Manager to request Division Heads and Chief Executive Officers of City agencies and corporations to review the issues and recommendations included in this report and consider the relevance to their respective custodial operations.	A letter has been drafted for distribution through the CMO to the appropriate Division Heads and Chief Executive Officers of the City agencies and corporations. FM will work with the City Manager's Office to ensure the communication is issued. This should occur prior to the end of 2019.

**Division: Facilities Management**

**Report Date: 06/14/2016**

**Report Title: Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts**

No.	Recommendation	Management Comments
001	City Council request the General Manager, Facilities Management to ensure specifications, included in call documents to procure cleaning services, are based on accurate measurements of cleanable area.	Facilities Management issued an enhanced RFP in 2017 which greatly improved the accuracy of the specifications and highlighted gaps where information was not available. The next phase of FM's custodial contracts will ensure specifications and services provided are based on accurate measurements for all contracted custodial services. Expected implementation is 2020.
002	City Council request the General Manager, Facilities Management, in consultation with the Director, Purchasing and Materials Management Division, to ensure the labour estimates included in call documents for cleaning services are developed using benchmarked industry cleaning times.	Call documents no longer contain labour estimates. Proponents are required to provide the necessary estimates based on the scope identified and the service levels expected. The intent of this was to allow for innovations, to be less prescriptive and to allow for competition amongst vendors bidding on calls. By including labour hours, even if benchmarked to industry cleaning times, in call documents it will likely drive vendors to these hours.  The AG's Office has indicated the intent of the recommendation is so the City can assess whether the bids received contain reasonable labour estimates for required cleaning services. Given this, the City can still gather industry benchmarks to compare what vendors bid, without actually including this in the call documents. This will be demonstrated upon the issuance of the next custodial contracts later in 2019 / early 2020.
003*	City Council request the General Manager, Facilities Management to compare current contracted	The City's latest cleaning contract, which took effect in early 2017, incorporated industry standard cleaning task frequencies and, in doing so, led to a reduction in costs of approximately

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	cleaning service levels to the standard service level in the Custodial Standard Service Model and industry cleaning times to examine opportunities to reduce costs.	<p>\$1.5 million per year. This was achieved by taking the various cleaning service levels across the various contracts and locations and bringing them in line with the Custodial Standard Service Model (CSSM) as much as possible. However, this model has also presented challenges due to the variability in the City's property portfolio (including asset type, usage, size, age, etc.). It requires the client (in this case, various City Divisions with a variety of requirements) to translate the desired outcome to a needed task and frequency (frequency-based cleaning model). Furthermore, client Divisions have identified business requirements that require a higher level of service than is stipulated by the current model.</p> <p>In light of the challenges associated with the existing frequency-based cleaning model, Facilities Management is planning to incorporate performance-based cleaning levels within the next custodial request for proposal, to be awarded in 2020. This will bring the City in line with developments within the facilities management industry, which has moved away from frequency-based models and accepted performance-based outcomes as a best practice. Moving to a performance specification, and fixed unit pricing, will also facilitate effective vendor management after contract award. The actions noted above should allow Facilities Management an opportunity to further align contracted cleaning services to industry operational standards, and right-size these services to the property condition and client need.</p>
006	City Council request the General Manager, Facilities Management to implement appropriate controls to monitor the acquisition and use of consumables provided by contractors.	Language has been integrated within the new custodial contract allowing for audits of all consumables and validation at the sites. As FM develops its quality assurance program, and staff new roles dedicated to quality assurance, audits will be carried out to monitor consumables. In the next phase of custodial contracts specifications will be included to ensure for clear and transparent monitoring of consumables provided by contractors. Expected implementation is 2020.
008	City Council request the General Manager, Facilities Management, in consultation with the Director, Purchasing and Materials Management Division, to ensure adequate analysis of the reasonability of the cost of contract changes is performed. Documentation to support the cost of contract changes should be retained in the respective purchasing and contract files.	<p>Language has been integrated into all new RFP's which outlines a consistent change methodology for all additions, deletions and changes to the contract. (Appendix D, Schedule C &amp; D and Section 3.1 (Scope of Work), subsection 2 within the RFP).</p> <p>FM is working with all client groups and the vendor of its latest contract to ensure service levels are implemented, as per the contract, or adjusted if necessary. Any changes to services or pricing will be documented. Expected implementation is 2020.</p>
009*	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	FM implemented new controls within the contract that was awarded in early 2017, enhancing the City's ability to monitor services delivered and hours through reports, documents and quality assurance requirements embedded into the Request for Proposal. These changes have resulted in positive benefits for the City. For example, FM has at some locations conducted quality assurance inspections to review site conditions, site

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	contracts, payments should be adjusted for any variances in actual cleaning hours provided.	records, service levels, etc. Issues identified were provided to the vendor and FM is actively working with the vendor to rectify them. In addition, the ability to review payroll records and requirements to maintain site logs allows FM to cross reference hours paid for with hours received. However, while this contract covers the majority of the custodial services contracted by FM, two contracts still need to be updated. In addition, FM is actively implementing plans and practices to improve vendor and contract management practices across all of its contracts. It is expected that these control and monitoring enhancements are expected to be embedded in contracts going forwarded and will be active across the full portfolio in 2020.
010	City Council request the General Manager, Facilities Management, in consultation with the Director, Purchasing and Materials Management Division, to review the standard call documents for cleaning contracts to ensure that the pricing structure allows changes to be made where the actual services delivered significantly deviates from the award.	<p>Language has been integrated into the new RFP which outlines a consistent change methodology for all additions, deletions and changes to the contract.</p> <p>The AG's office has reviewed this on the new RFP that was issued and noted that pricing for additions and emergency services were bid at a higher price point than hourly rates for the base locations and services. Without knowing the facility type in advance it can be expected that vendors would bid at rates that are higher. Therefore, although the new RFP allowed for changes, future RFPs will further refine this requirement. Expected implementation – 2020.</p>
011	City Council request the General Manager, Facilities Management to monitor and supervise all cleaning contracts to ensure compliance with contractual terms and obligations to maintain, and make available for review, the records related to the contract.	Contract Clauses have been integrated into the new custodial contract which require the submission of documentation to be audited throughout the contract. As FM develops its quality assurance program, and staff new roles dedicated to quality assurance, FM will continue to strengthen compliance reviews of contracts. Compliance and quality assurance plans will be developed and will be most effective when all custodial contracted services are consolidated under one set of terms, conditions and standards. This is expected for 2020.
012	City Council request the General Manager, Facilities Management to work collaboratively with the Fair Wage Office to provide any necessary contract related records required to strengthen the compliance reviews conducted to ensure fair wages.	Facilities Management and the Fair Wage Office have been working collaboratively. FM and the Fair Wage Office have confirmed there are no active outstanding issues related to this contract. FM is currently working with Fair Wage to ensure the issues that were identified in the audit were properly addressed, and any corrective action taken as necessary. This is expected to occur over the remainder of 2019.
014	<p>City Council request the General Manager, Facilities Management to develop and implement a standard protocol for evaluating custodial contractor performance. The protocol should include:</p> <ul style="list-style-type: none"> <li>a. A standard form for contractor performance evaluation</li> <li>b. Annual review cycles and a mandatory review prior to</li> </ul>	<p>Contract Clauses have been integrated into the current contract which outline the city's expectations that performance must be maintained as per the contract for the renewal of any option period.</p> <p>All contractors underwent an extensive performance audit in 2017, with the results being reported to GMC on November 13, 2017; report GM 23.18.</p> <p>As FM develops its quality assurance program, and staff new roles dedicated to quality assurance, FM will continue to strengthen compliance reviews and performance reviews of</p>

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No.	Recommendation	Management Comments
	<p>exercising a renewal option on a contract</p> <p>c. Documentation of the results of such performance evaluations to be retained within the contract file.</p>	<p>contracts. Compliance and quality assurance plans will be developed and will be most effective when all custodial contracted services are consolidated under one set of terms, conditions and standards. This is expected for 2020.</p>
015	<p>City Council request the General Manager, Facilities Management to complete a service review of all current cleaning contracts including an analysis of their cost effectiveness. The results of such review to be reported to Government Management Committee.</p>	<p>Facilities Management reported the results of a preliminary review of its current cleaning contracts to GMC on November 13, 2017; report GM 23.18.</p> <p>Not all contracts have been updated to reflect the latest cleaning standards and contract requirements. The next phase of custodial contracts will consolidate contracted services under one set of terms, conditions and standards. This will allow for a more comprehensive service review of custodial contracts and determine the cost effectiveness of these services. After this Facilities Management will report back to GGLC on a comprehensive review of its cleaning contracts. Given the new contract will be issued in early 2020, and the transition period that will be required, an additional report back to Committee will likely come in early 2021.</p>
016	<p>City Council request the City Manager to request Division Heads and Chief Executive Officers of City agencies and corporations to review the issues and recommendations included in this report and consider the relevance to their respective operations.</p>	<p>A letter has been drafted for distribution through the CMO to the appropriate Division Heads and Chief Executive Officers of the City agencies and corporations. FM will work with the CMO to issue the letter in 2019.</p>

**Division: Facilities Management**

**Report Date: 02/03/2015**

**Report Title: Facilities Management - Security and Safety Improvements Required**

No.	Recommendation	Management Comments
001*	<p>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.</p>	<p>Physical security is currently continuously reviewed through a number measures including:</p> <ul style="list-style-type: none"> <li>a) Annual Security Building Condition Assessments;</li> <li>b) Security system component testing; and,</li> <li>c) Annual updates of Divisional Security Plans.</li> </ul> <p>City facilities have been assigned a risk rating based on national crime rates. Audits of the top ten sites occurred in 2018-2019.</p> <p>An appropriate and sustainable plan is being developed that provides on-site physical security audits for all City facilities and an approach to address applicable deficiencies.</p>

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No.	Recommendation	Management Comments
		It is anticipated that this plan will be complete by the end of 2019.
002*	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.	All deficiencies noted by Corporate Security through patrols, Security Building Condition Assessments, security system component testing, site audits, or facility security reviews are reported through the Security Occurrence Program and managed by the applicable Security Management member in conjunction with the applicable division. This procedure will be enhanced by the end of 2019 in conjunction with recommendation #1.
007	City Council request the Chief Corporate Officer to run reports to identify inactive access cards and upon review, cancel user access as required.	Beginning in 2014, Corporate Security implemented a new, daily process to ensure inactive employees on SAP had their security access disabled. A daily report is provided by Human Resources from SAP of inactive employees. Corporate Security staff then verifies that the card access was deactivated on the system.  To further protect the integrity of the database, a quarterly report is run comparing the full active SAP database against the full security system database to review any possible errors.  A capital IT project, titled Self-Serve, is expected to be completed by September 2019 which will automate the ability to run reports to identify inactive access cards and upon review, cancel user access as required.  This recommendation is expected to be fulfilled by the end of 2019 upon full implementation of the Self-Serve project.
010	City Council request the Chief Corporate Officer to review the current level of mobile patrolling activity to determine if it adequately meets requirements and propose options for the actions, if any, necessary to satisfy the security needs.	The patrolling activity at each site is determined by a number of factors including site criticality, occurrence report statistics, seasonality of service, etc. In response to incidents, and in anticipation of future incidents due to forecasting, additional patrolling resources are acquired.  The determination of patrolling activity will be further enhanced in 2019 with the addition of an upgraded security reporting system and new field data reporting devices.  This recommendation is expected to be fulfilled at the end of 2019.

**Division: Facilities Management**

**Report Date: 10/02/2012**

**Report Title: A Mid-Term Review of the Union Station Revitalization: Managing Risks in a Highly Complex Multi-Year, Multistage, Multi-Million Dollar Project**

No.	Recommendation	Management Comments
006^	City Council request the City Manager to ensure that the responsible City division develop and implement, for all significant and complex capital projects, an	There has been progress to date, including the Council adopted "Approval of Major Capital Projects" report GM 26.4 on December 16, 2013. The report outlines a four phase approach to guide the process for addressing project risk noted in recommendation # 6 for FM related projects.

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	<p>enhanced process for assessing and managing project risks. The risk assessment should be comprehensive prior to the start of the project and be continuously reviewed and updated.</p>	<p>The phased approach that has been developed is currently being applied to the Relocation of Etobicoke Civic Centre project.</p> <p>A stage gating process is included in the corporate Capital Budget directions and manual for 2019. All Divisions and programs are expected to be follow this approach based on these guidelines and directions. Further work is being done to ensure major projects are reviewed and on a periodic basis in a uniform manner across the City.</p> <p>This recommendation cannot be fully implemented until there are major projects available to flow through all phases of process, and it can be demonstrated that project risks are assessed and managed through all phases of the project. Therefore this recommendation will remain outstanding for the next 3 to 5 years.</p>

**Division: Facilities Management**

**Report Date: 05/31/2010**

**Report Title: Management of Capital Project 129 Peter Street**

No.	Recommendation	Management Comments
009^	<p>The Executive Director, Facilities Management, be given sole authority to make decisions on the method by which accessibility requirements be incorporated in all relevant tender documents. The design of construction and renovation projects be required to comply with the City's Accessibility Design Guidelines and any new requirements under the Accessibility for Ontarians with Disabilities Act, 2005.</p>	<p>The Director of the Facilities Management Project Management Office (FM-PMO) has sole authority to make decisions on the method by which accessibility requirements be incorporated in to all relevant tender documents.</p> <p>Full implementation of this recommendation will be achieved once the City's accessibility design standards are submitted and approved by City Council, and adopted as a corporate standard. This is expected for Q4 of 2019.</p> <p>Expected Full Completion Date: End of 2019</p>

**Division: Facilities Management**

**Report Date: 09/16/2005**

**Report Title: Maintenance and Administrative Controls Review – Facilities and Real Estate**

No.	Recommendation	Management Comments
004^	<p>The Deputy City Manager and Chief Financial Officer give priority to the completion of an implementation plan for facilities maintenance standards including:</p>	<p>A process is being developed in conjunction with the Fire and Life Safety (FLS) Program Office to monitor compliance with legislative requirements across all City facilities. This will be in place by Q3 2019.</p> <p>A preventative maintenance program is being developed within Facilities Management (FM) that will capture all other legislative</p>

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	<p>(a) a process to monitor compliance with legislative requirements;</p> <p>(b) funding, staffing and operational requirements of the Facilities and Real Estate Division and all other City divisions;</p> <p>(c) the development of specific facilities maintenance standards, if necessary, for speciality facilities such as water treatment plants and arenas; and</p> <p>(d) timelines for implementation.</p>	<p>compliance requirements and allow for monitoring of these items. This will be in place in 2020 as the PM program is rolled out across all facilities under FM's control.</p> <p>Through the City-wide Real Estate program, overall facilities responsibilities across all City Divisions will be transitioned to FM. As this occurs processes to monitor compliance for all remaining buildings will be implemented. This is expected to occur over the next 3 years. This will include determining the appropriate staffing and funding levels to implement the proper plans across all City facilities, as responsibilities are transitioned, as well as any special requirements for facilities with specialty functions.</p> <p>The plan for the implementation for all of this will be developed over the next year as part of the City-Wide Real Estate program work.</p>
013 <sup>^</sup>	<p>The Deputy City Manager and Chief Financial Officer take appropriate steps to:</p> <p>(a) determine the complete state of good repair backlog for all City-owned buildings;</p> <p>(b) develop City-wide funding priorities for the state of good repair backlog; and</p> <p>(c) ensure that approved capital projects are completed on a timely basis.</p>	<p>a. Through the annual capital budget process, the Financial Planning Division consolidates the SOGR backlog for each City divisions and prepares a briefing note on this. Within this briefing note the complete, City-wide, SOGR backlog is provided. The detailed support for this is submitted through each Divisional capital budget submission, and stored within the Financial Planning Division. This portion of the recommendation has been implemented.</p> <p>b. Through the 2019 Budget process Council directed the CFO and Treasurer to undertake the following strategies (rec 251, EX2.5, march 7, 2019) which should address the need for City-Wide funding priorities for the SOGR backlog. The following strategies from this recommendation that are most relevant are:</p> <ul style="list-style-type: none"> <li>- continue efforts to update and improve the City's asset management policies, standards and practices and report back together with Council's consideration of the City's Asset Management policy for approval by July 2019, as required by Provincial legislation;</li> <li>- develop a methodology to integrate official, service and master planning with the capital planning and budgeting process and that criteria be established to support the setting of State of Good Repair, Service Improvement and Growth capital project priorities by City Council, to be phased in over the term of Council; and</li> </ul> <p>c. Within Facilities Management execution and spending on SOGR projects has improved over the last 3 years. There has been a greater emphasis on capital project execution. This is evident through monthly capital program review meetings at the Divisional level, and enhanced capital variance reporting at the corporate level. This has led to improvements in capital funding utilization, and in turn capital project completions. Within Facilities Management, spending on SOGR projects under its control exceeded 80% in 2018. The AG's office has indicated that a City-wide strategy should be developed to ensure</p>

\*High priority outstanding recommendations

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No.	Recommendation	Management Comments
		improvements are realized throughout City divisions and programs. This will also require coordination with the City's corporate financial leads, and Facilities Management will support this efforts in developing these plans.
014 <sup>^</sup>	The Deputy City Manager and Chief Financial Officer ensure that a database of the physical condition of all City-owned buildings is developed and forms the basis for a long-term capital plan. In addition, building condition assessments should be completed for all City-owned buildings using criteria based on industry standards and best practices developed by the Facilities and Real Estate Division.	<p>Facilities Management has accomplished all items within this recommendation for facilities under the Divisions' direct oversight. In order to implement this recommendation the practices FM employs needs to be implemented across all City owned buildings.</p> <p>The objectives outlined within the City-Wide real-estate model includes consolidated oversight of asset management related to facilities under the jurisdiction of Facilities Management. The timeline for completion of this recommendation is dependent on the adoption and implementation of all aspects of the City-wide real estate model, expected to be completed over the next 3 years.</p>
016 <sup>^</sup>	<p>The Deputy City Manager and Chief Financial Officer take appropriate steps to establish a maintenance plan for each City building that:</p> <p>(a) includes both capital and operating repairs for current and future years;</p> <p>(b) addresses building deficiencies identified in building condition assessments; and</p> <p>(c) effectively coordinates maintenance and repair activities between the Design, Construction and Asset Preservation and Facilities Operations Units of the Facilities and Real Estate Division.</p>	<p>Facilities Management has accomplished all items within this recommendation for facilities under the Divisions' direct oversight. In order to implement this recommendation the practices FM employs needs to be implemented across all City owned buildings.</p> <p>The objectives outlined within the City-Wide real-estate model includes consolidated oversight of asset management related to facilities under the jurisdiction of Facilities Management. The timeline for completion of this recommendation is dependent on the adoption and implementation of all aspects of the City-wide real estate model, expected to be completed over the next 3 years.</p>
017 <sup>^</sup>	The Deputy City Manager and Chief Financial Officer ensure that all necessary building information is incorporated into the SAP Plant Maintenance and Asset Management Modules to assist in maintenance planning and repair decisions and provide a record of regulatory inspections.	<p>Management captured all buildings and system level information for all buildings under Facilities Managements oversight. This includes tracking all maintenance and legislative activities at the building level through its work order system.</p> <p>Facilities Management carried out a pilot projects which track key building equipment and assets that are aligned with industry standards and have tracked these and developed preventative maintenance plans around these assets. The pilot program provides the planned maintenance and a record of regulatory inspections on all equipment at the pilot sites. FM is now rolling out these plans across its entire portfolio. This is also a key component of the workplan for the implementation of the new City-wide real estate model as building portfolios city-wide are</p>

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No.	Recommendation	Management Comments
		rolled under the jurisdiction of Facilities Management over the next 3 years.

**Division: Financial Planning**  
**Report Date: 05/02/2013**  
**Report Title: Financial Planning Analysis and Reporting System (FPARS) - A Large Scale Business Transformation/Information Technology Project**

No.	Recommendation	Management Comments
007 <sup>^</sup>	City Council request the Deputy City Manager and Chief Financial Officer, the Director, Financial Planning and the Chief Information Officer to ensure that upon project completion, a final "close-out" report is submitted to City Council. Such reports should include comparisons of budget to actual timelines, costs, actual benefits achieved and where applicable, a description of anticipated benefits not realized.	<p>The FPARS project has 2 phases:</p> <ol style="list-style-type: none"> <li>1. Multi-year Service Based Planning, Budgeting, Reporting with implementation of PBF (Completed May 2015); and</li> <li>2. Enterprise Performance Management (On hold pending results of the Ernst &amp; Young " Budget Process Modernization" review.)</li> </ol> <p>In accordance with AG's recommendation to report on the status of major capital projects in the budget process (as well as variance reports and Standing Committees), the 2019 Budget Notes for Financial Services (pgs. 17; 22-23) provided a status of the project with deliverables completed for Phase 1 and appropriate financials. It also set out the deliverables and status for Phase 2.</p> <p>Benefits realization continue to be documented for Phase 1 (\$22.303M have been identified to date) and will continue through for Phase 2. At this time the deliverables of phase 2 are on hold pending the results of the Ernst &amp; Young Budget Process Modernization review. A final close-out report will be submitted to Council once the project is completed; operationalized and benefits realized, currently anticipated by 2020.</p>

**Division: Information & Technology**  
**Report Date: 03/10/2017**  
**Report Title: Information Technology Vulnerability Assessment and Penetration Testing – Wrap-up Phase I and Phase II**

No.	Recommendation	Management Comments
001 <sup>*</sup>	City Council request the City Manager to review how best to create and implement a Chief Information Security Officer's role reporting administratively to the Chief Information Officer and functionally to the City Manager. The Chief Information Security Officer should coordinate with the Chief Information Officer: a. To develop information technology security baseline	<p>I&amp;T Division initiated the process to create and implement a Chief Information Security Officer's role (CISO) in 2018. The role and responsibilities of the CISO have been defined with functional reporting to the City Manager and administrative reporting to Chief Information Officer. I&amp;T Division has finalized the recruitment and CISO is due to join in first week of October 2019.</p> <p>The Information and Technology Division hired an external consultant firm to conduct a Cyber Security Maturity Assessment of the City, which concluded in July 2019. The assessment reviewed the maturity level of the City's enterprise</p>

\*High priority outstanding recommendations

<sup>^</sup>Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	<p>standards at the City, and report to the City Manager and Chief Information Officer on compliance to established baseline standards.</p> <p>b. To work with City Agencies and Corporations to align baseline standards and leverage best practices.</p>	<p>security capabilities against the generally-accepted industry best practice frameworks and compared the City's practices to other cities worldwide to identify and prioritize where enhancements should be made.</p> <p>I&amp;T has planned similar Cyber Security Maturity assessments for Divisional IT, Operational Technologies and Agencies &amp; Corporations. Based on these assessments, I&amp;T will develop City's Cyber Security Standards and Compliance Management Framework to monitor and enforce compliance. Expected completion by Q3 2022.</p>

**Division: Information & Technology**

**Report Date: 02/16/2016**

**Report Title: Audit of Information Technology Vulnerability and Penetration Testing- Phase 1: External Penetration Testing**

No.	Recommendation	Management Comments
001	<p>City Council request the Chief Information Officer to establish the City baseline for cybersecurity applicable to all of the City's IT systems and infrastructure and to direct all City divisions, agencies, and corporations to adhere to this standard. The Chief Information Officer establish protocols for monitoring and enforcing compliance with this City-wide standard.</p>	<p>The Information and Technology Division hired an external consultant firm to conduct a Cyber Security Maturity Assessment of the City, which concluded in July 2019. The assessment reviewed the maturity level of the City's enterprise security capabilities against the generally-accepted industry best practice frameworks and compared the City's practices to other cities worldwide to identify and prioritize where enhancements should be made.</p> <p>I&amp;T has planned similar Cyber Security Maturity assessments for Divisional IT, Operational Technologies and Agencies &amp; Corporations. Based on these assessments, I&amp;T will develop City's Cyber Security Standards and Compliance Management Framework to monitor and enforce compliance. Expected completion by Q3 2022.</p>
002*	<p>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.</p>	<p>Information &amp; Technology Division has developed a Cyber Security Program that includes ongoing Vulnerability Assessment and Penetration Testing standard methodology.</p> <p>I&amp;T Division is in progress to procure Managed Security Service Provider (MSSP) through a competitive RFP to enhance capabilities to conduct Vulnerability Assessment and Penetration Testing. As part of the scope of work of selected MSSP, it will provide ongoing reporting and metrics around existing and newly discovered threats.</p> <p>Expected completion by Q4 2020.</p>

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**Division: Information & Technology**  
**Report Date: 02/04/2015**  
**Report Title: Software Licenses - Managing the Asset and Related Risks**

No.	Recommendation	Management Comments
001	City Council request the Chief Information Officer to ensure there is a software owner identified for all software assets and that activities to ensure compliance with software licensing agreements are performed in accordance with the divisional policy.	Major software has been identified with corporate and divisional software owners. This software identification includes: a) corporate software managed by the I&T Division and b) software which is maintained by corporate or divisions and the cumulative cost to maintain such software has reached or exceeded \$500K year over year for sole sources.  A proof of concept and self-assessment of a number of software titles from a major software is underway and the process is expected to be completed and repeatable by Q4, 2019.
010	City Council request the Chief Information Officer to ensure software owners perform annual software reconciliations and report the results to the Information and Technology Division.	Software reconciliation for confirmed software titles has been implemented and has been operationalized (ongoing validation is occurring). A proof of concept and self-assessment of a number of software titles from a major software is underway and the process is expected to be completed and repeatable by Q4, 2019.
011	City Council request the Chief Information Officer to ensure that the inventory of software is completed as soon as possible and that software usage reports be developed and distributed to software owners for their review. Software owners should report back on license usage to the Chief Information Officer so that proper decisions can be made in relation to City software assets.	Software reconciliation for confirmed software titles has been implemented and has been operationalized (ongoing validation is occurring). A proof of concept and self-assessment of a number of software titles from a major software is underway and the process is expected to be completed and repeatable by Q4, 2019.

**Division: Information & Technology**  
**Report Date: 06/10/2014**  
**Report Title: Controls Over Telecommunication Expenses Need Improvement**

No.	Recommendation	Management Comments
004	City Council request the City Manager to direct divisions to review controls over access and use of group wireless devices. The inventory of group wireless devices should be reviewed and those not required should be cancelled.	A process and associated tools have been developed to guide divisions in their periodic reporting of wireless devices inventory. A Usage and Inventory report is issued to All Divisions on a monthly basis and timelines for when divisions will proactively report on their inventory is outlined in the process document. The Information and Technology Division will be implementing a new Telecom Expense Management (TEM) Service Solution in Q3, 2020, which will include the functional requirement of auditing individual or group wireless devices for non-usage and generate reports.
011	City Council request the Deputy City Manager and Chief Financial	The Information and Technology Division is enabling the ability to generate Telecom Contract reports to determine the amount

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No.	Recommendation	Management Comments
	Officer to review the existing process of manually updating invoice payment information from SAP to the NetPlus telecommunication system and evaluate whether the process can be automated.	spent on each telecommunication contract. To this extent, a new Telecom Expense Management Service Solution will be implemented in Q3, 2020 which will include functional requirements that permit process automation.
015	City Council request the City Manager to direct divisions to review their respective inventory of telecommunication devices to ensure that it reflects the current status of such devices. Inventories should be adjusted where appropriate and reviews should be performed on a periodic basis.	The Information and Technology Division is committed to cleaning-up and verifying inventory against invoices in addition to enabling a clean slate and accurate electronic inventory of all City of Toronto telecommunications assets and services. To this extent, a new Telecom Expense Management Service Solution will be implemented in Q3, 2020 that will maintain detailed inventory information and generate reports.
016	City Council request the City Manager to develop exception reporting criteria to assist in evaluating unnecessary telecommunication costs. Criteria identified should include devices and services with no activity, suspended phones beyond a specified period and phones no longer in use. Devices and services no longer required should be cancelled.	The Information and Technology Division is set to evaluate the City's telecommunication costs, including invoices, contracts and any recovery of charges. As a new Telecom Expense Management Service Solution is expected for Q3, 2020, it will provide the ability to generate exception reporting based on criteria selected. Reporting will be inclusive of devices and services with no activity, suspended phones beyond a specified period and phones no longer in use.

**Division: Information & Technology****Report Date: 09/18/2013****Report Title: IT Service Desk Unit - Opportunities for Improving Service and Cost - Effectiveness**

No.	Recommendation	Management Comments
004 <sup>^</sup>	City Council request the Chief Information Officer to implement proactive problem management for the IT Service Desk Unit to improve the efficiency and cost-effectiveness in providing information technology support.	<p>The IT Service Desk Unit, in conjunction the Information and Technology Service Management Team (ITSM) will implement Problem Management within the IT Service Desk. With the recent refocus on asset management practices, target timelines have been delayed, with an expected completion in Q4, 2019.</p> <p>The Problem Management Team is currently involved with:</p> <ul style="list-style-type: none"> <li>• A process for proactively logging problem tickets based on the discovery of security vulnerabilities has been setup and deployed in HP Service Management and IT Self-Serve. Next steps include communicating the process to City staff, setting up training and completing and distributing the reference guide.</li> <li>• A Westbury Report and a process to monitor incident trends to create problem tickets is currently under initial development.</li> <li>• Create a reference guide on problem process similar to the</li> </ul>

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No.	Recommendation	Management Comments
		incident management guide and identified key groups in the City to train for the process.

**Division: Information & Technology****Report Date: 01/07/2011****Report Title: Governance and Management of City Computer Software Needs Improvement**

No.	Recommendation	Management Comments
004 <sup>^</sup>	The Chief Information Officer ensure the City Information Technology Risk Management Program includes a periodic risk assessment to identify, assess and implement processes to address software related risk.	<p>The City hired an external consultant to assess the City's current cyber security posture independently. The assessment reviewed the maturity level of the City's enterprise security capabilities against the generally-accepted industry best practice frameworks and compared our practices to other cities worldwide to identify and prioritize where enhancements should be made. The assessment concluded in July 2019.</p> <p>To ensure increased accountability on this recommendation, future management comments will provide a status update, including an estimated percentage towards completion. Expected completion by Q2 2021.</p>

**Division: Information & Technology****Report Date: 06/15/2010****Report Title: Review of the City SAP Competency Centre**

No.	Recommendation	Management Comments
005 <sup>^</sup>	The Chief Information Officer include SAP Competency Centre service level expectations in formal service level agreements currently being prepared between operating divisions and the Information and Technology Division.	<p>The Information &amp; Technology (I&amp;T) Division has included SAP Competency Centre (aka SAP Service Centre) service level expectations in the "IT Services List" on July 25, 2019.</p> <p>The IT Services List is embedded within the new "Master Service Level Agreement (MSLA)" currently being prepared between operating divisions and the I&amp;T Division.</p> <p>I&amp;T's Service Level Management (SLM) unit is responsible for delivery of the MSLA and is targeting formal approval of the document with subsequent communications to operating divisions by Q1 2020 (or sooner).</p>
007 <sup>^</sup>	The Chief Information Officer develop SAP Competency Centre performance measures and standards. Such measures and standards should monitor ongoing performance.	<p>The "SAP Service Centre" (SAPSC) (formerly SAP Competency Centre) has developed performance measures and standards in alignment with Information Technology Service Management (ITSM) best practices and is now utilizing the following performance measures to monitor the on-going performance of the SAPSC:</p> <ul style="list-style-type: none"> <li>a) Service Request Response Time (based on priority in business hours)</li> <li>b) Service Request Fulfillment Time (based on complexity in business hours)</li> <li>c) Incident Response Time (based on priority in business hours)</li> </ul>

\*High priority outstanding recommendations

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No.	Recommendation	Management Comments
		<p>d) Incident Resolution Time (based on complexity in business hours)</p> <p>The SAPSC uses a "Service Management System" to capture and manage all work being performed. Performance reports are produced on a monthly basis to monitor and inform all impacted business divisions on status of the work.</p> <p>The SAPSC is currently enhancing its monthly performance reports to ensure that the performance measures listed above are used to monitor on-going performance of the SAPSC in alignment with service level expectations and is expected to be complete by Q4 2019.</p>

**Division: Information & Technology**

**Report Date: 04/20/2010**

**Report Title: Governance and Management of City Wireless Technology Needs Improvement**

No.	Recommendation	Management Comments
005^	The Chief Information Officer implement City-wide wireless standards and develop procedures to provide for periodic review to ensure the accuracy and relevancy of wireless standards.	<p>The Wireless Standard has been developed and published by I&amp;T Division. The procedure for periodic review has been established as well. Based on discussion with Auditor General's Office, I&amp;T Division is in process to formalize further details in support of the Wireless Standard. The standards will be revisited and finalized in the next revision of the Wireless Standard, scheduled for Q1 2020.</p> <p>Estimated completion in Q1 2020.</p>
006^	The Chief Information Officer develop a comprehensive IT Security Manual as a ready reference for City staff.	<p>City staff met with the Auditor General's Office to discuss this long-standing audit recommendation. Significant clarification was obtained on the intent of the original recommendation and the elements required for its successful implementation within the City. Originally, City staff interpreted this recommendation as a request for an IT Security Policy. As the IT Security Policy required the consultation with the City Clerk's Office; policy formulation was dependent on an established Steering Committee, taking considerable time to complete.</p> <p>Based discussions with the Auditor General's Office, this recommendation will take approximately 1.5-years (1.0 year development and 0.5 years review and adoption) to publish an IT Security Manual available for City staff, expected at the end of 2020. To ensure increased accountability on this recommendation, future management comments will provide a status update, including an estimated percentage towards completion.</p>

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**Division:** Information & Technology  
**Report Date:** 03/03/2008  
**Report Title:** Disaster Recovery Planning for City Computer Facilities

No.	Recommendation	Management Comments
002 <sup>^</sup>	The City Manager implement a disaster recovery and business continuity program that includes divisional roles and responsibilities, resource and training requirements, and simulation and plan maintenance schedules.	Information & Technology Division underwent a Cyber Security Assessment study by external consultant KPMG which provided detailed assessment on IT Service, Business Impact Assessment, Business Continuity Planning, Disaster Recovery Plan and Backup & Restore. Based on the recommendations provided by KPMG, I&T Division is recruiting specialist resources and preparing a work plan to update the Business Impact Assessment, re-evaluate the business criteria for the availability of critical and non-critical systems (disaster recovery), and update Business Continuity Plans.  Expected completion by Q2 2021.
005 <sup>^</sup>	The Chief Information Officer review the backup and storage procedures of City information technology units for:  (a) compliance with acceptable standards and practices for data backup and storage requirements; and  (b) provide divisions with the opportunity to participate in existing data storage arrangements within the City or with the outside service provider.	I&T Division is working on City's Data Centre Modernization Program. As part of this Program, architectural design of City's Data Centre is being designed with high availability and Disaster Recovery, with redundancy from an outside service provider. This architectural design will meet the requirements of acceptable standards and practices for data backup and storage requirements.  Expected completion by Q2 2021.
006 <sup>^</sup>	The City Manager, in consultation with the Chief Information Officer, direct divisions to test information technology disaster recovery plans on a regular basis.	The City is developing a Corporate Resilience Assessment Tool which will help the Business Continuity Working Group to gauge the effectiveness of divisional Disaster Recovery and Business Continuity processes. The City is working with other major Canadian cities to build this tool, which is expected to be completed by Q2 2020. A formal process will be defined to regularly test backups of mission critical and business critical data and review the test results to ensure recovery from backup with meet defined RTOs.  Expected completion by Q2 2021.
007 <sup>^</sup>	The Chief Information Officer develop disaster recovery testing guidelines and provide training necessary to ensure cross-divisional consistency.	Based on the Information & Technology Division's plans related to Disaster Recovery and Business Continuity Planning (as elaborated in recommendation 2 above), comprehensive testing guidelines and training strategy will be developed to ensure consistency throughout all City divisions and staff.  Expected completion by Q2 2021.

\*High priority outstanding recommendations

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**Division: Pension, Payroll & Employee Benefits**  
**Report Date: 06/13/2017**  
**Report Title: 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"**

No.	Recommendation	Management Comments
001*	City Council request the Treasurer to consult with the City's current benefits plan administrator and the appropriate legislative agencies to determine whether the benefits plan administrator should implement a practice of considering reporting to the appropriate regulatory body, physicians or pharmacists who prescribed or dispensed potentially excessive opioids to claimants.	<p>Treasurer to consulted with the City's current benefits plan administrator who have confirmed they have a practice of considering reporting to the appropriate regulatory body, physicians or pharmacists who prescribed or dispensed potentially excessive opioids to claimants. The current benefits plan administrator has referred two (2) physicians to the College of Physicians and Surgeons of Ontario (CPSO) since the City became a client in 2017. These were created as letters of concerns. As a result of submitting our concerns, GSC has seen changes in the claiming patters of Plan Members who see these prescribers.</p> <p>The Treasurer will work with GSC to obtain copy of their formalized practice.</p> <p>Expected completion: Q4 2019</p>
002	City Council request the Treasurer to request the City's benefits plan administrator to provide individual claimants, who exhibit patterns at risk of opioid abuse or addiction, with information about the available employee assistance programs or services.	<p>Green Shield Canada is able to accommodate the request to include the EAP brochure with the letters sent to plan member in regards to the narcotic policy. As this is a manual process and will include extra mailing costs, the Administrator will charge an amount per brochure sent.</p> <p>Note that the plan administrator's current narcotic policy refers members back to their physician for a discussion on the appropriateness of prescribing, rather than referring the member to EAP.</p> <p>The plan administrator has also confirmed that they cannot disclose any personal information to the City about individual claims, except where there is fraudulent behavior.</p> <p>The Treasurer will review the cost of including the City's EAP and determine if GSC current practice of referring members back to their physicians for discussion of the appropriateness of prescribing is more effective.</p> <p>Expected completion: Q4 2019</p>
003*	City Council request the Treasurer to clarify with the City's benefits plan administrator its practice of adjudicating erectile dysfunction drugs to identify anomalies such as excessive dosage, significant year-over-year increases, and obtaining multiple types of drugs at the same time.	<p>The City's benefits plan administrator has advised that their BMIS team will audit drug usage and has done so for ED drugs. The City has been advised of the number of Plan Members that GSC is concerned about and the normal audit process has been initiated.</p> <p>The Treasurer will schedule a meeting with the AG Office, PPEB and GSC to address the AG questions related to ED drugs and associated adjudication and audit controls.</p> <p>Expected completion: Q4 2019</p>

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^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
005	City Council request the Treasurer to ensure that the City's benefits administrator records the necessary prescriber and pharmacy information from paper claims, and has in place effective monitoring and tools for analysis of claim patterns accounting for both electronic and paper submissions.	<p>Treasurer confirms that the City's benefits administrator records the necessary prescriber information from paper claims, and has in place effective monitoring and tools for analysis of claim patterns accounting for both electronic and paper submissions. Pharmacy information is not captured.</p> <p>GSC has provided screen shot to which confirms a provider/pharmacy identification field has been configured within their system. The Treasurer has requested that this field be included within the annual data claims file for 2019 data.</p> <p>Expected completion: Q1 2020</p>
006	City Council request the Treasurer to put in place a written policy and procedure on granting of exception cases for employee drug benefits. The reason, the specific drug, and period in effect should be documented and retained.	<p>The Treasurer has put in place a process whereby all approval for exceptional cases for drugs or treatments are put forth to a committee composed of the Director, Pension, Payroll and Employee Benefits, the Manager, Employee Benefits Services, the Treasurer, the Director, Employee and Labour Relations and Director, Legal Services, Employment Law for consideration.</p> <p>The Treasurer will formally document the policy and procedure followed in granting of exception cases for drug benefits by Q4 2019.</p>
007	City Council request the Treasurer to clarify with the City's benefits plan administrator its practice of reimbursing dispensing fees for vacation supply to ensure it is consistent with the City's benefits plans.	<p>The City's benefits plan administrators vacation supply allows for 6 months' worth of medication. This is based on the vacation supply allowed by the Ontario Drug Benefit (ODB) guidelines (this is not based on OHIP).</p> <p>The Treasurer will request a meeting with GSC to review the data format with the AG to allow for effective testing of data.</p> <p>Expected completion: Q4 2020</p>
008	City Council request the City Manager to forward a copy of the audit report to the Toronto Police Services Board and the Toronto Transit Commission Board for their information.	The City Manager has forwarded the respective audit report to the respective Board of the Toronto Transit Commission and the Toronto Police Service for their review and consideration of the applicability of the audit recommendations in their own employee health benefit program. This report was overlooked and will be forwarded by Q4 2019

**Division: Pension, Payroll & Employee Benefits****Report Date: 03/20/2017****Report Title: 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**

No.	Recommendation	Management Comments
002*	City Council request the Treasurer to ensure the plan administrator has adequate tools, controls and adjudication processes in place to identify unusual trends and patterns, and to detect and prevent fraud and	The Treasurer has reviewed with the plan administrator their tools, controls and adjudication processes and is satisfied at the robustness in the detection and prevention of fraud. This is supported by the provision of the comprehensive Delisted Providers lists which is regularly updated and shared with the City and plan members.

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	abuse at both the provider and individual plan member level. This should include establishing predetermined criteria with the plan administrator for identification of unusual trends and patterns, and requesting periodic reports back from the plan administrator on actions taken.	The Treasurer will engage GSC to expand on current report of unusual trends and patterns by individual plan members (via unique identifier) to include action taken and results.  Expected completion: Q4 2019
003	City Council request the Treasurer to ensure all key changes to the City's health benefits plan administration are clearly communicated and documented by City staff, and retained in accordance with the City record retention policy. When a major change to the benefit plan is made, the Treasurer should ensure the change is implemented by the benefits administrator according to the City's direction.	The Treasurer has ensured key changes to the City's health benefits plan administration are clearly communicated and documented by City staff and retained in accordance with the City record retention policy. The City ensures the changes are implemented following City's direction by ensuring confirmation of change implementation received from provider.  The Treasurer will provide copies of recent plan changes along with GSC confirmation of implementation.  Expected completion: Q3 2019
005*	City Council request the Treasurer to consider establishing a reasonable quantity limit for orthotics and orthopedic shoes benefits for dependents aged 18 or younger and for medical braces.	The Treasurer engaged an external consultant to review and provide recommendations. These recommendations will be put forth during the 2018/2019 bargaining.  The Treasurer will provide the list of 2019 bargaining recommendations upon conclusion of the current round of negotiations.  Expected completion: Q1 2020
006	City Council request the Treasurer to review and initiate changes to the City's extended health benefits provisions to ensure benefit plans clearly articulate what expenses are eligible and covered by the City, including the coverage for modifications to orthopedic shoes.	The City's new health and dental benefits administrator has provided a detailed benefits booklet to Non Union and Grandparented Retirees, which clearly articulates what expenses are eligible and covered by the City, including the coverage for modifications to orthopedic shoes. Union booklets are pending signoff from the unions. This is augmented by robust On Line Plan Member portal which allows the plan member to run claim simulations to determine what costs are covered prior to purchase. Finally, the City's new health and dental benefits administrator have trained Customer Service representative that can provide assistance to both plan members and providers regarding eligible coverage under the City's plans  The Treasurer in concert with Director Labour Relations will continue to work with the unions to finalize the association GSC booklets.  Expected completion: Q3 2020

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years



No.	Recommendation	Management Comments
007	City Council request the Treasurer to ensure the City's employee health benefit provisions are implemented in accordance with City's intentions and collective agreements, and that the plan administrator's interpretation of benefit provisions is in line with City intentions.	<p>The Treasurer conducted a comprehensive review of the City's Plans and collective agreements with the plan administrator to ensure the benefit's provisions were in line with the City's intentions. This involved a comprehensive review of the plan administrations Claims Management Strategies alignment with the City's plans and collective agreements.</p> <p>The Treasurer will schedule a meeting with the AG to provide an overview of the transition mapping exercise performed during the 2016 benefits transfer GSC.</p> <p>Expected completion: Q1 2020</p>
008	City Council request the Treasurer to consider unifying, where possible, the employee health benefit provisions in various collective agreements such that both the City's oversight of benefits and the benefit administrator's claim adjudication can be performed in a more effective and efficient manner.	<p>The Treasurer will consider unifying, where possible, the employee health benefit provisions in various collective agreements understanding that ultimately the bargaining process influences the outcome. Success was achieved in last round of bargaining in regards to changes to the LTD benefit consistently being applied to the non-union and all union groups with the exception of Fire Services.</p> <p>The Treasurer will provide the proposed collective Benefits Bargaining items upon conclusion of bargaining.</p> <p>Expected completion: Q1 2020</p>
009	City Council request the Treasurer to consider setting a reasonable contractual limit or unit cost on health benefits, particularly when the Plan Administrator does not have a Reasonable and Customary charge in place.	<p>The Treasurer will consider setting a reasonable contractual limit or unit cost on health benefits, particularly when the Plan Administrator does not have a Reasonable and Customary charge in place. Our current Plan Administrator does have Reasonable and Customary charges in plan for Paramedic and Medic Devices covered under the City's Plan where an annual maximum is not stated.</p> <p>The Treasurer will provide the proposed collective Benefits Bargaining items upon conclusion of bargaining.</p> <p>Expected completion: Q1 2020</p>
010*	City Council request the Treasurer to ensure that the current employee health benefit plan administrator's adjudication processes include an assessment on age reasonableness for health claims.	<p>The Treasurer ensures that the current employee health benefit plan administrator's adjudication processes include an assessment on age reasonableness for health claims. These are based upon the City's criteria for claims submission timelines. GSC has confirmed consideration is not currently based upon age reasonableness.</p> <p>The Treasurer will confer with GSC to determine the feasibility of including age reasonableness within their adjudication of health claims.</p> <p>Expected completion: Q4 2019</p>
011*	City Council request the Treasurer to assess the reasonableness and appropriateness of the City's physiotherapy benefit provisions,	The Treasurer engaged an external consultant to assess the reasonableness and appropriateness of the City's physiotherapy benefit provisions, taking into account the financial impact and the City's comparability to other jurisdictions. The resulting recommendations have been included within with 2019/2020

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^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	taking into account the financial impact and the City's comparability to other jurisdictions.	bargaining proposal.  The Treasurer will provide the benefits bargaining recommendations and outcome upon conclusion of bargaining. Expected completion: Q1 2020
012	City Council request the Treasurer to put in place a written policy and procedure on granting of exception cases for employee health benefits. The reason, type of benefit, and period in effect should be documented and retained.	The Treasurer has put in place a process whereby all approval for exceptional cases for drugs or treatments are put forth to a committee composed of the Director, Pension, Payroll and Employee Benefits, the Manager, Employee Benefits Services, the Treasurer, the Director, Employee and Labour Relations and Director, Legal Services, Employment Law for consideration.  The Treasurer will develop a written policy and procedure on granting of exception cases for employee health benefits by Q4 2019
013	City Council request the Treasurer to engage an external auditor to conduct an initial audit on the new plan administrator's adjudication system to ensure the coding aligns with benefit provisions. Periodic audits should also be performed on the effectiveness of the administrator's adjudication and monitoring processes.	The Treasurer engaged an external consultant to audit the effectiveness of the administrator's adjudication and monitoring processes. The audit and resulting report is expected by Q3 2019.
014	City Council request the Treasurer to conduct, on a regular basis, detailed reviews of health benefit claims history by high risk categories that are commonly subjected to misuse or abuse.	The Treasurer via the Director Pension, Payroll and Employee Benefits, conduct regular quarterly, detailed reviews of health benefit claims history by high risk categories that are commonly subjected to misuse or abuse with the Benefits Plan Administrator referencing Claims Insights reports. The Treasurer will arrange a meeting with the AG's and PPEBs staff to review the audit reviews conducted regarding claims history to gain greater insight.  Expected completion: Q4 2019
015	City Council request the Treasurer to ensure emerging risks and issues in the employee health benefits program are identified and adequately addressed by the benefits administrator in a timely manner.	The Treasurer, through the Director Pension, Payroll and Employee Benefits, will ensure emerging risks and issues in the employee health benefits program are identified and adequately addressed by the benefits administrator in a timely manner thorough timely engagement of the Legal and PEHR to review issue(s) and determine appropriate actions.  Expected completion: Q2 2020

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

**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**

No.	Recommendation	Management Comments
003*	<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>	<p>The Treasurer engaged an external consultant to conduct a benefits diagnostic of all City Plans. The completed reports were provided and reviewed with the Director Pension, Payroll and Employee Benefits along with Director Labour Relations and Director Human Resources. Additionally, the Director Pension, Payroll and Employee Benefits meet quarterly with the City's benefit carrier to review claims trends and utilization to identify and address areas of concern.</p> <p>The Treasurer will include the proposed cost effective strategies put forth from the external consults within 2019/2020 City bargaining recommendations. This will be provided upon conclusion of the current round of negotiations.</p> <p>Expected completion: Q1 2020</p>
006	<p>City Council request the Treasurer to regularly conduct detailed reviews of drug benefit claims history by high-risk drug categories that are commonly subjected to misuse or abuse, and on drug categories for which the City incurs significantly higher utilization and claims cost than industry standards.</p>	<p>The Director Pension, Payroll and Employee Benefits meets quarterly with the City's benefit carrier to review claims trends and utilization to identify and address areas of concern. This is in addition to internal monthly claims cost trends analysis conducted by PPEB staff.</p> <p>The Director Pension, Payroll and Employee Benefits will ensure a formal documentation of the review are implemented.</p> <p>Expected completion: Q3 2019</p>
007*	<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> <p>a. Following up with Manulife to validate the eligibility of over-the-</p>	<p>Responses to the above.</p> <p>a) This has been addressed with the prior benefits plan administrator and the issue resolved</p> <p>b) The new plan provider verified their rule based system has been programmed to allow for predefined life sustaining over the counter drugs to be processed and provided. Additions would be at the direction of the City.</p> <p>c) The issue was explored with the new plan administrator. Based upon the current plan design and collective agreement restrictions a maximum is already in place, this maximum could vary by collective agreement. Additional maximums specific to</p>

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No.	Recommendation	Management Comments
	<p>counter drug claims to ensure they meet the life sustaining requirements in the City's policies and recover any ineligible amounts paid;</p> <p>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</p> <p>c. Working with the new plan administrator to develop ways to minimize the cost of dispensing fees for eligible over-the-counter drug claims.</p>	<p>eligible over the counter drug claims may be addressed within a Preferred Provider Agreement(s), PPEB currently has a preferred provider agreement in place.</p> <p>The Treasure will review to determine what, if any, additional over the counter dispensing fee cost saving initiatives may be feasible. Expected completion: Q4 2020</p>
010	<p>City Council request the Treasurer to ensure the new employee health benefits plan administrator has proper controls in place to restrict dispensing fees to the coverage limit, and City staff undertake periodic reviews to ensure the City is only charged the dispensing fees up to the established limit.</p>	<p>The Director, Pension, Payroll &amp; Employee Benefits has met with the new carrier, Green Shield Canada (GSC) a number of times over the course of the transition to the new carrier. The following is the director response from GSC regarding this recommendation</p> <p>The GSC rules based system is coded to allow the \$9 dispensing fee.</p> <p>Reports have been provided to the City that include the dispensing fee information for verification. The Director Pension, Payroll and Employee Benefits conducted annual review of 2018 dispensing fee claims. The report validated dispensing fees reimbursed at rates of \$9 or lower except for compound drug where the dispensing fee has been established at a RC rate of \$25.</p> <p>The Director, Pension, Payroll &amp; Employee Benefits will work GSC to explore opportunity to refine the dispensing fee report to make it more user friendly. Expected completion: Q4 2020</p>
012	<p>City Council request the Treasurer to ensure more effective coordination and sharing of drug benefits report information between the Pension, Payroll and Employee Benefits Division and the Employee Health and Rehabilitation team to facilitate development of wellness initiatives amongst City employees.</p>	<p>The Director of Pension, Payroll &amp; Employee Benefits and the Director, Occupational Health &amp; Safety meet on a quarterly basis with the new benefits carrier to review the Health and Dental Claims Insight Report which captures drug utilization and trends across the City Plan. These reports provide insight to the director, Occupational Health and Safety for ongoing enhancements of the City's wellness initiatives. Reports from the Benefits Carrier are provided in addition to an in-person discussion with the Benefits Carrier representatives.</p> <p>The Director of Pension, Payroll &amp; Employee Benefits and the Director, Occupational Health &amp; Safety will implement a formalized documentation of the quarter meetings. Expected completion: Q3 2019</p>

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^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
014	City Council request the Treasurer to require the City's new employee health benefits administrator to provide City staff with all necessary supplementary information to support invoiced amounts to assist the City's review of accuracy of invoiced amounts, reasonableness of billing reversals, and of the related recoveries.	<p>A detailed Monthly ASO statement report has been developed to summarize and support the invoiced amounts. This is provided by the 10th day of each month and includes information by line of benefit and billing division. PPEB review and seek clarity for any unusual charges. The Treasurer has worked with GSC to refine the reports down to the affiliation level which allows for a finite view of the costs. New reporting will be implement effective July 1, 2019.</p> <p>The Director Pension, Payroll and Employee Benefit will document the review monthly review process of the supplementary billings amounts. Expected completion: Q4 2019</p>
015*	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>The Director of Pensions, Payroll and Employee Benefits received confirmation from staff of the employee records changes resulting from employee and retiree responses to the September 2016 Positive Enrollment initiative had been completed.</p> <p>Monthly/quarterly/annual internal controls had been implemented to ensure eligible employees/retirees and dependents are enrolled in the appropriate plan. The Director of Pensions, Payroll and Employee Benefits has implemented to ensure controls capture all scenarios. All discrepancies are addressed on a timely basis and used as training opportunities for impacted staff.</p> <p>The Treasurer has undertaken a complete review of the City's records of eligible plan members and dependents to ensure the information is complete and accurate and will follow up with the plan administrator on those with questionable date of birth. The City has confirmed that no claims were incurred by those whose date of birth could not be confirmed. The City is in the process of updating the records and are targeting completion: Q4, 2019.</p>
017	City Council request the Treasurer to ensure the performance standards agreement with the new benefits plan administrator comprehensively measures all the service areas to be delivered by the plan administrator.	The Director of Pensions, Payroll and Employee Benefits in concert with City Legal and the new benefits carrier are in the process of developing a draft Service Level Agreement (SLA). It is anticipated that the SLA will be finalized on or before December 30, 2019 along with the finalization of the contract.
018	City Council request the Treasurer to ensure that the new benefits plan administrator provides the City with the necessary supplementary information to enable the City to independently assess the administrator's performance, and consider engaging an independent auditor to assess the new plan administrator's	<p>The new benefit carrier has provided the Director Pension, Payroll and Employee Benefits with Annual reports that which contain auditable data. This data was provided according to the specifications provided by the City.</p> <p>Provisions have been included in the contract to enable the City's Auditor General to conduct an audit. This has been incorporated into the Contract under Section 2.11 - Personal Data and Confidential Information of the Administrative Services Only, Group Benefit plan contract. The City team is working with GSC to finalize the contact not later than Q4 2019.</p>

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	performance. Clear provisions should be included in the contract to enable the City's Auditor General to conduct an independent audit of the administrator's performance.	

**Division: Pension, Payroll & Employee Benefits****Report Date: 10/13/2016****Report Title: 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**

No.	Recommendation	Management Comments
001	City Council request the Director, Pension, Payroll and Employee Benefits Division to review Manulife's Plan Document in administering the City's Long Term Disability (LTD) claims to ensure that the Plan Document provisions are consistent with the City's Collective Agreements and related policies. Where practices are deemed appropriate that are not consistent with the Collective Agreements, staff of Legal Services and Human Resources should be consulted to assess the financial impact and legality of continuing such practice.	The Director, Pension, Payroll and Employee Benefits Division has reviewed Manulife's Plan Document to ensure provisions are consistent with the City's Collective Agreements and related polices. Updates related to the 2016 plan changes have been reflected. We will continue to work with HR and Legal to ensure consistency between the Collective Agreements and the LTD Plan Document.  Expected completion: Q4 2019.
002	City Council request the Director, Pension, Payroll and Employee Benefits Division to develop and implement appropriate processes and protocol for significant changes to Long Term Disability (LTD) benefit policy and the benefit administrator's Plan Document. Such processes and protocol should include adequate consultation with City Legal and other pertinent staff, documentation in accordance with the City's Records Retention By-Law, and appropriate City authorization prior to implementation by the benefits administrator.	Resulting benefits changes are submitted, in writing, to appropriate benefits carrier for implementation. The communication details benefit change, effective date and applicable plan impacted. The further develop the protocol to encompass a record retention protocol aligning with City standards.  The formal protocol will be implemented by Q4 2019
005	City Council request the Director, Pension, Payroll and Employee Benefits Division to:	b. Completed – LTD Administrative Manual has been updated to reflect current procedures and applicable staff trained. The updated version was provided in July 2017.

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	<p>a. Clarify the definition of 'totally disabled' in the Long Term Disability benefits policy and the effect of performing modified work during the qualifying period; and</p> <p>b. Develop procedures and training to ensure City staff involved in managing the Long Term Disability benefits program have complete and correct understanding of the eligibility requirements.</p>	The Director, Pension, Payroll and Employee Benefits will engage Legal and PEHR in clarifying the effect of performing modified work during the qualifying period. This will be documented by Q4 2019
007	City Council request the Executive Director, Human Resources to review the City's current short term disability management program for early and pro-active intervention opportunities, to reduce the risk of employees progressing to Long Term Disability leave.	<p>System development continues with target completion and implementation Q4 2019.</p> <p>Tools and process for early implementation to be rolled out in conjunction with system implementation.</p>
008	City Council request the Executive Director, Human Resources to review the existing return to work processes for employees on Long Term Disability leave with a view to improving the return to work success rate and turnaround time.	Performance indicator metrics finalized for the Quatro Safety non-occupational Illness module. Development in progress for completion in Q4 2019.
010	City Council request the Executive Director, Human Resources to develop a tracking system to monitor the City's work search efforts for employees returning from Long Term Disability leave and identify improvement opportunities.	System development continues with a goal to finalize and implement in 2019 Q4.

**Division: Pension, Payroll & Employee Benefits****Report Date: 06/30/2016****Report Title: Management of the City's Long-Term Disability Benefits Phase Two: Interim Report on the Approval and Monitoring of Claims**

No.	Recommendation	Management Comments
001	City Council request the Treasurer to require the City's Long-Term Disability (LTD) Benefits Administrator to provide up-to-date diagnostic statistics and reports, in aggregate data, to	<p>Manulife has advised that is now providing up-to-date diagnostics statistics:</p> <ul style="list-style-type: none"> <li>• Where the initial condition has completely resolved and there is a new condition that has emerged as the primary diagnosis; the City's Long-Term Disability (LTD) Benefits Administrator is updating the claim diagnosis field in their system. Manulife will</li> </ul>

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^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	the City reflecting claimants' initial and current primary diagnoses.	<p>continue to report the diagnostic trends for the top 3 causes.</p> <ul style="list-style-type: none"> <li>• Where the initial condition has completely resolved and there is a new condition that has emerged as the primary diagnosis; the City's Long-Term Disability (LTD) Benefits Administrator is updating the claim diagnosis field in their system.</li> </ul> <p>The Treasure will follow up with City's Long-Term Disability (LTD) Benefits Administrator to provide confirmation upon completion the updating of the claim diagnosis field with in their system.</p> <p>Expected completion: Q4 2019</p>
002	City Council request the Treasurer to assess, within the framework of Human Rights and Privacy legislation, the feasibility and appropriateness of requiring the City's Long-Term Disability (LTD) Benefits Administrator to ensure all new mental and nervous disorder claims, and claims in which the diagnoses change to mental health and nervous disorders, are supported by medical reports from specialists (Psychiatrist or Psychologist) prior to or soon after the claim approval to assess claimants' return to work potential and accommodation needs.	<p>The City's Long-Term Disability (LTD) Benefits Administrator advised that requiring a Specialist report prior to or soon after an approval could negatively impact the claim:</p> <ul style="list-style-type: none"> <li>• By adding delays in initial decisions if current medical supports the disability without a specialist report on file.</li> <li>• Putting unnecessary strain on the Health Care system.</li> <li>• Also, this could be a potential labour relations and human rights issues in addressing one type of illness (i.e. mental health).</li> </ul> <p>Consideration to cost implications for an internal and/or external secondary review to implement this process will need to be factored.</p> <p>The City engaged an external consultant to review the practices of our LTD provider and make a recommendations as to potential improvements. The report is anticipated by Q4 2019.</p>
004	City Council request the Treasurer to develop a process whereby the appropriate City staff are informed by the City's Long-Term Disability (LTD) Benefits Administrator of workplace related issues associated with LTD claims and return to work. The workplace related issues should be communicated in a manner that complies with applicable privacy legislation and in a timely manner allowing the appropriate City staff to adequately address the issues and accommodate LTD claimants' needs for returning to work.	<p>The City in concert with the City Long-Term Disability (LTD) Benefits Administrator developed and implemented a process which involve both the City's Employee Health Consultant and Division Manager to inform all parties about any issues impacting return to work in order and to ensure the City has the opportunity to accommodate a Plan Members needs for returning to work. This process has been documented within the City Long-Term Disability (LTD) Benefits Administrator and City's Disability Management Guidelines which is a result of the joint collaboration between the two parties.</p> <p>The Treasurer will further develop the process within City Long-Term Disability (LTD) Benefits Administrator and City's Disability Management Guideline.</p> <p>Expected completion: Q4 2019</p>
005	City Council request the Treasurer to review the need and consider incorporating into the	The Director of Pension, Payroll and Employee Benefits along with the Director Occupational Health and Safety finalized the LTD Disability Guide which documents the Disability

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No.	Recommendation	Management Comments
	<p>new five-year contract with the City's Long-Term Disability (LTD) Benefits Administrator requirements to develop and implement specific criteria to help ensure:</p> <p>a. LTD benefits claimants' timely participation in rehabilitation program; and</p> <p>b. Case Managers undertake timely return to work actions during claim management process.</p>	<p>Administration. Manulife Case Managers conducts pre return to work meetings with Employee Health to discuss potential RTW potential, job search opportunities and other know barriers to progressing case management plans.</p> <p>The current LTD Plan Document/Policy includes Rehab Adherence wording in the policy which addresses measures to address employee lack of participation in rehabilitation program. This are listed within the Plan Document on page 16, last two paragraphs and pages 20 to 21 items G, H and I</p> <p>The Treasurer to review the need and consider incorporating into the new five-year contract with the City's Long-Term Disability (LTD) Benefits Administrator requirements to further develop and implement specific criteria as it relates to LTD claimants timely participation in rehabilitation programs and Case Managers timely management of the same.</p> <p>Expected completion: Q4 2019.</p>
006	<p>City Council request the Treasurer to review the need and consider incorporating into the new five-year contract with the City's Long-Term Disability (LTD) Benefits Administrator performance measures pertaining to:</p> <p>a. Acquiring timely medical updates to support continuation of LTD benefits;</p> <p>b. Timely claim management actions to address claimants' delays in responding to the Administrator's contact; and</p> <p>c. Timely claim management actions in arranging for rehabilitation activities for claimants</p>	<p>The City will review the need and consider incorporating into the new five-year contract with the City's Long-Term Disability (LTD) Benefits Administrator performance measures stated above. This will involve review of the external consultants recommendations regarding Service Level Agreements Review recently conducted on behalf of the City.</p> <p>Expected completion: Q4 2019.</p>
007	<p>City Council request the Treasurer to review the need and consider incorporating into the new five-year contract with the City's Long-Term Disability (LTD) Benefits Administrator a requirement to provide the City with internal audit results if available. These internal audit results should be reviewed by the appropriate City staff to ensure</p>	<p>The City will review and consider the feasibility of incorporating the above recommendation within the next five year contract for the administration of the City's Long Term Disability benefits.</p> <p>Expected completion: Q1 2020</p>

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^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	ongoing compliance with contractual requirements.	

**Division: Pension, Payroll & Employee Benefits****Report Date: 10/06/2015****Report Title: Management of the City's Long-Term Disability Benefits Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits**

No.	Recommendation	Management Comments
001	City Council request the Director, Pension, Payroll and Employee Benefits Division, in consultation with the Executive Director, Human Resources Division, to review alternate ways of managing the City's Long-Term Disability benefit program, including a review of how the Toronto Police Service and the Toronto Transit Commission manage their respective Long-Term Disability benefit programs.	<p>The Director, Pension, Payroll and Employee Benefits along with the Executive Director Human Resources in 2016 met with Toronto Police Service (TPS) and the Toronto Transit Commission and reviewed their management of the Long Term Disability (LTD) benefit programs. There were key differences in plan design, such as level of benefit, which are a result of collective bargaining. This was actioned by the City during 2016 bargaining and resulted in a negotiated change to the LTD level of benefit.</p> <p>The Director, Pension, Payroll and Employee Benefits commits to conducting a joint review with PEHR with a view of enhancing the service model by 2019 Q4.</p>
004	City Council request the Executive Director, Human Resources Division, to develop and track performance indicators for assessing and continuously improving the City's return to work process for employees in receipt of Long-Term Disability benefits.	Performance indicator metrics finalized for the Quatro Safety non-occupational Illness module. Development in progress for completion in Q4 2019.
005	City Council request the Director, Pension, Payroll and Employee Benefits Division, in consultation with the City Solicitor and the Executive Director, Human Resources Division, to review the current process to seek consent from Long-Term Disability claimants to facilitate employee return to work process.	Manulife in process of updating Plan Member Statement with updated consent language. The updated form is anticipated by Q4 2019.
006	City Council request the Executive Director, Human Resources Division, to explore ways to further enhance staff awareness and knowledge of early intervention and accommodation for employees with health issues, including an assessment of alternate training delivery methods.	<p>Development of Quatro module continuing in 2019: to be finalized and implemented Q4.</p> <p>Procedure guides and tool kit to be distributed in conjunction with implementation.</p>
008	City Council request the Director, Pension, Payroll and Employee	The Director, Pension, Payroll and Employee Benefits requested and receives monthly costs breakdowns for Other

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No.	Recommendation	Management Comments
	Benefits Division, to request supporting documents and cost breakdowns from Manulife for all "Other Charges" in the monthly billing statement for Long-Term Disability benefit administration services. Staff to recover charges paid by the City for which Manulife cannot provide supporting documents or reasonable cost breakdowns.	charges in monthly billing statement. On a quarterly basis, an audit of the last month statement and supporting documents are reviewed.  The Director, Pension, Payroll and Employee Benefits will request monthly supporting documents for other charges from the Long Term Disability Benefits Administrator.  Expected completion: Q4 2019.

**Division: Purchasing & Materials Management**

**Report Date: 10/13/2017**

**Report Title: Obtaining the Best Value Through the Use of Vendor Rosters**

No.	Recommendation	Management Comments
001*	City Council request the Director, Purchasing and Materials Management, to: a. provide clear guidance on roster design, unless there is an overriding consideration otherwise, vendor selection methods that prioritize cost should be used; and b. update the Buyer review process for rotational rosters, such as including verification of how a vendor was selected, and that prices charged match the original submissions made to the Request for Expression of Interest.	PMMD as we implement SAP Ariba will review the existing procedures for roster design and roster review process. Specific action plan is set out below  • Guidance of Roster Design: Action Plan: • Create a guideline with step by step instructions for the Request for Supplier Qualification (RFSQ) Document. • Review and revamp RFSQ document in SAP Ariba • Review the current roster management documentation to conduct a separate review to find out what areas needs to be updated and simplified.  Time Frame: • Q4 2019  • Buyer Process for Rotational Rosters: Action Plan: • Review and modify the current Roster Procedure to clearly define how and when Rotational Rosters should be used • Review the Roster Audit procedure to address concerns with vendor selections and price discrepancies • Train staff of Roster Audit procedures  Time Frame: Q4 2019
002	City Council request the Director, Purchasing and Materials Management, to provide guidance in its Roster Procedure on the use of different evaluation criteria during the roster qualification process.	PMMD will develop an evaluation guideline document similar to the RFP evaluation workbook.  Time Frame: Q4 2019
003	City Council request the Director, Purchasing and Materials Management, to ensure Buyers provide adequate oversight of the	In the Roster procedure and the Roster Audit procedure, the roles and responsibilities of PMMD and the Division will be clearer in terms of the work assignment selection process to ensure that there is proper oversight of the selection process. In

\*High priority outstanding recommendations

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No.	Recommendation	Management Comments
	roster qualification process, including a review of the evaluation outcome and documenting the decision process and rationale for deviations from the terms in the call document.	addition the documents required to support the selection process will be reviewed, including checklists to help guide the division in the process on what is required.  Timeframe: Q4 2019
004	City Council request the Director, Purchasing and Materials Management, to review current roster processes and make adjustments where necessary to ensure that controls developed in Purchasing and Materials Management's Unbalanced Bidding procedure are also implemented in all applicable areas of roster activity.	PMMD will update the roster procedure with respect to including a UBA analysis in applicable rosters and provide training to Roster captains. The UBA analysis will form part of the documentation required from the Division when they have conducted a work assignment.  Timeframe: Q4 2019
005	City Council request the Director, Purchasing and Materials Management, to develop clear guidelines regarding contractor/subcontractor relationships within a roster, including the need for disclosure, responsibility for monitoring and analysis, and the resolution process when potential conflicts of interest are identified.	PMMD has set up a Cross Divisional Working group to develop the appropriate policy to address subcontracting at both the procurement stage and the contract management stage.  Timeframe: Q3 2019
006	City Council request the Director, Purchasing and Materials Management, to review controls relating to rosters with unique circumstances such as the ones held by the Environment and Energy Division, and ensure that there is sufficient oversight over its purchasing activity, in particular the bid receipt and evaluation process.	PMMD will review the current processes for rosters held by the Environment & Energy Office to ensure that there is enough oversight over the use of the roster, and will document any changes as appropriate  Timeframe: Q4 2019
007	City Council request the Director, Purchasing and Materials Management, to ensure that the required control processes as specified in its Roster Procedure are consistently implemented and that staff are appropriately following up on any issues identified; where it is determined that a control is not practical or not working as intended, the Procedure should be reviewed and amended where needed.	As PMMD undergoes the Supply Chain Transformation, PMMD will review the roster procedure to ensure that the required control processes are consistently implemented and clarify the role of PMMD staff in providing oversight of the roster process.  Timeframe: Q2 2020

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
008	<p>City Council request the Director, Purchasing and Materials Management, to review the roster management objectives and information requirements to identify opportunities for improving efficiencies and maximizing the use of rosters by divisional staff, including a consideration of:</p> <ul style="list-style-type: none"> <li>a. developing a reporting process on the roster program's overall activities;</li> <li>b. publishing and maintaining an accurate list of active rosters available to City staff;</li> <li>c. simplifying input requirements for the roster Master List; and</li> <li>d. revising the quarterly reporting process.</li> </ul>	<p>Through the Supply Chain Transformation, PMMD will review the roster procedure to identify improvements to the process including the reporting on the roster process, revising the auditing process and ensuring the Master List is up to date and published where all City staff can see.</p> <p>Timeframe: Q2 2020</p>

**Division: Purchasing & Materials Management**  
**Report Date: 02/06/2015**  
**Report Title: Review of Divisional Purchase Orders**

No.	Recommendation	Management Comments
001	<p>City Council request the City Manager to expedite implementation of the outstanding recommendation, below, which is contained in the Auditor General's 2010 report "City Purchasing Card (PCard) Program – Improving Controls Before Expanding the Program":</p> <p>"The Treasurer develop and implement strategies to promote and expand the use of PCards by City divisions. Such strategies should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>a. Analyzing divisional purchasing patterns to identify potential areas for expansion</li> <li>b. Developing and implementing measures to increase the use of PCards by divisions</li> <li>c. Setting performance goals for the City based on the number of</li> </ul>	<p>Accounting Services has initiated a fulsome review of the Pcard program that includes the policy and approved use, associated procedures and expanded use of the card as a payment tool.</p>

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
	participating divisions and yearly PCard purchase volume.”	
002	<p>City Council request the Director, Purchasing and Materials Management review and revise quality assurance procedures including:</p> <p>a. Taking a risk-based approach to selecting Departmental Purchase Order files for review                      b. Adjusting sample sizes to a manageable level, to allow for a balance between the sufficiency and timeliness of file reviews                      c. Tracking and monitoring the progress and compliance of divisions.</p>	<p>This recommendation was only partially implemented. The DPO Quarterly Report was developed based on the criteria identified in the audit report and the sample size was adjusted. The Divisional Purchase Order (DPO) Quality Assurance Procedures were updated effective November 14, 2017 and posted on PMMD's website in January 2018.</p> <p>Based on further feedback from the Auditor General in Q4 2018, PMMD will further update the DPO Quality Assurance Procedure to summarize the risk-based approach (criteria used, frequency, who does the analysis, how to determine which division to investigate), set out the rationale for determine the appropriate sample size, considering sufficiency and timeliness and developing a follow-up process to track and monitor the performance of the non-compliant divisions. Timeline – Q4 2019</p>
004	<p>City Council request the Director, Purchasing and Materials Management to require staff be re-trained on the use of Divisional Purchase Orders in instances where consistently significant non-compliance is detected through quality assurance procedures</p>	<p>Due to the reasons as outlined in Recommendation #3, this recommendation has not been fully implemented as it relates directly to the reporting and quality assurance reviews of DPOs.</p> <p>Actions:                      Schedule Meetings with Clients following the quality assurance reviews in cases where there is significant non-compliance to recommend re-training of divisional users (4th Quarter)</p>

**Division: Purchasing & Materials Management**  
**Report Date: 10/05/2012**  
**Report Title: City Stores: Maximize Operating Capacity to Be More Efficient**

No.	Recommendation	Management Comments
003 <sup>^</sup>	<p>City Council request the City Manager, through the Shared Services review, to explore ways to maximize purchasing power and rationalize materials handling for items commonly purchased by the City, its Agencies and Corporations.</p>	<p>In 2016, PMMD engaged Ernst &amp; Young to complete a review on Materials Management and to offer recommendations with respect to the continuation of the service of warehousing by Materials Management. Through that review, it was recommended to conduct further rationalization on the existing Divisional Stores and combine them with the Corporate Stores. In 2017, PMMD consolidated the corporate store of 1050 Ellesmere into 799 Islington Avenue and in 2018, began working with Divisions to identify further consolidation or other efficiency opportunities. In January 2019, the PF&amp;R Divisional store was consolidated into Islington. A key driver to further consolidation is implementing the SAP Warehouse Management module. Once the SAP Warehouse management module is implemented in late 2019/early 2020, review with the remaining Divisions are completed in late 2019 early 2020, then as part of the overarching PMMD Category Management implementation, we will be looking for opportunities to explore shared service arrangements with the City's Agencies and Corporations.</p>

\*High priority outstanding recommendations

<sup>^</sup>Recommendations remain outstanding for longer than five years

No.	Recommendation	Management Comments
		Time frame – 2019 to complete Materials Management rationalization –Q4 2020 for further consideration of shared services.
004^	City Council request the Director, Purchasing and Materials Management, in consultation with the Chief Information Officer, to develop and implement an online system for ordering goods from City and Divisional stores.	The development and implementation of an online ordering system is contained within the Supply Chain Transformation project in a sub-project, Materials Management Refresh, currently underway and is anticipated to be implemented in a number of stages over the next 18 months. Approximately Q1 2021 as the P2P project is currently paused.
005^	City Council request the Director, Purchasing and Materials Management, in consultation with the Chief Information Officer, to review the costs and benefits associated with integrating scanning technology into existing City and Divisional store operations.	The review of the costs and benefits was done as part of the Supply Chain Transformation project in a sub-project, Materials Management Refresh. The anticipated benefits to assist staff in efficiencies is about 40% in walking time around the warehouse and provide more accurate and timely information. The requirements have been set out in the business requirements document as part of the project. Attached is an extract from the business requirements document focused on the scanners We are currently at the beginning stages of the procurement of the scanners and expect them to be around \$1,000/scanner but with the expected doubling of throughput, payback for the investment will happen quickly. Anticipate procurement of the scanners by end of Q4 2019 and data to validate the estimated efficiencies by the end of Q4 2020.

**Division: Real Estate Services**

**Report Date: 06/13/2017**

**Report Title: Real Estate Services Division - Restore Focus on Union Station Leasing**

No.	Recommendation	Management Comments
001*	City Council request the Chief Corporate Officer to: a. determine the City's measurements at Union Station (as at January 1, 2010) and assess the impact of significant changes to the following measurements for each year after 2010: 1. rentable area (occupied and vacant); 2. common areas and facilities; 3. common use equipment; 4. areas used for municipal purposes; and 5. areas under construction; and b. ensure that current measurements are maintained and used for annual settlement purposes	Available historical measurement drawings and square footages outlined in the tenant lease agreements were utilized, and adjustments were made for significant changes resulting from construction activities, opening of new areas, and from agreed upon adjustments with tenants when reconciling settlements up to and including 2018. Staff have accounted for all significant changes in space. Any new information received, or new measurements completed will be used going forward, and consideration will be given on historical impacts, if any, and to determine if retroactive adjustments would be required.  Upon completion of the Union Station Revitalization project, and full operations of Union Station, updated space measurements will be completed (current plan is that new space is measured upon completion). This is expected to be completed and in full use by the beginning of 2021.

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No.	Recommendation	Management Comments
002*	City Council request the Chief Corporate Officer, in consultation with the City Solicitor, to determine the appropriate action to take to settle the accounts related to the retail operations at Union Station for the period from 2010 to 2015.	<p>Legal services was consulted in 2017 to determine whether City retained contractual rights to review/audit financial information prepared &amp; maintained by the Leasing Manager. Subsequently an external audit firm was engaged to perform an audit of Leasing Manager's annual reports to City for periods encompassing 2010 through to 2015 year ends.</p> <p>City staff are reviewing the audit results and will be consulting with Legal Services in order to determine possible recourse (if any) for instances of contract non-compliance.</p> <p>Timeline: Currently under review with Legal Services and discussion with 3rd party leasing manager are expected for late 2019 with resolution and action taken, if required, in Q1 2020.</p>
005*	City Council request the Chief Corporate Officer to: a. complete the 2016 settlements of additional rent for all occupants at Union Station and ensure the amounts owing are recorded and collected on a timely basis; and b. ensure future settlements of additional rent are completed with each occupant at Union Station on an annual basis and in accordance with their respective agreements.	<p>a. 2016 settlements, and all future settlements up to and including 2018, were collected and recorded for all non-commercial tenants. Common area cost recoveries for commercial operations have been collected and recorded up to end of 2018. Only direct recoveries from commercial operations are to be collected and staff are working with the Head Lessee on completing this. This will be completed before the end of 2019, and will retroactively cover periods 2016 to 2018, with 2019 direct recoveries to occur in Q1 2020.</p> <p>b. Staff have taken measures to ensure that future settlements of additional rent are completed with each occupant annually and in accordance with their respective agreements.</p>
006	City Council request the Chief Corporate Officer to annually review and update lease data for each occupant at Union Station in the City's financial information system.	As part of the roll-out of annual reconciliation process for all Union Station tenants, financial information is updated in SAP upon conclusion of each reconciliation cycle. Resulting receivables/payables from completed reconciliations are documented in SAP as accounts are settled. Upon completion and reconciliation of all commercial and non-commercial operations are completed the information in SAP will be updated accordingly. Agreed upon amounts are being recorded accurately in SAP however staff are working with Accounting Services to make the necessary past adjustments to tenant accounts. This will be completed by Q2 2020.
007	City Council request the Chief Corporate Officer, in consultation with the Director, Accounting Services, to develop and implement a process to periodically review the accuracy and completeness of Union Station leasing receivables and revenues recorded in the City's financial information system.	<p>Staff are working with Accounting Services to review historical revenues recorded in the financial system and reconcile the tenant's customer account to the current receivable/payable balance based on the latest lease settlement. This work is ongoing due to the large number of transactions over multiple years. Once balances for all tenants are up to date a formal process will be developed and implemented to review the accuracy and completeness of tenant balances on a go forward basis.</p> <p>Timeline: expected to be completed in Q2 2020.</p>

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No.	Recommendation	Management Comments
008	City Council request the Chief Corporate Officer to ensure the estimated Union Station operating costs are calculated annually and each occupant is notified of their required monthly installment payment towards rents and recoveries.	Estimated operating cost recoveries are calculated and provided to the head lessee on an annual basis. For other tenants at Union Station, annual operating costs are calculated at the end of each fiscal year and presented to the tenant with the annual lease reconciliation. Adjustments to installment payments are made, when necessary, after the tenant reviews and agrees to the settlement amount. Only direct recoveries from commercial operations are to be collected and staff are working with the Head Lessee on completing this. This will be completed before the end of 2019, and this will be included in future notifications for 2020 and beyond.
010	City Council request the Chief Corporate Officer, in consultation with the Corporate Finance and Financial Planning Divisions, to validate assumptions underlying the existing financial forecasts for Union Station and to report back to City Council with an up-to-date forecast of expected revenues and expenses.	<p>The existing financial forecast for Union Station was updated to reflect the latest information available, including the 2019 budget and future year forecasts from the head lessee. The model also incorporates leasing revenue from other tenants and updated City operating costs in the current and future state. The City re-engaged with the professional services firm who modeled the existing financial forecast to provide the update.</p> <p>Timeline: The up-to-date forecast of expected revenues and expenses will be reported back to City Council through the 2020 budget process.</p>
011	City Council request the Chief Corporate Officer, in consultation with the Financial Planning Division, to develop and implement a comprehensive financial model to annually evaluate the financial performance of the commercial operations in Union Station.	<p>Multiple monitoring processes have been implemented to provide robust oversight of Union Station's financial performance. Staff work with Financial Planning Division on an annual basis to develop the Union Station operating budget and report on the Union Station reserve fund balance and forecast. Quarterly reviews are completed on the financials in relation to the budget developed, including forecasts to year end and explanation of any current or expected variances.</p> <p>With respect to commercial operations, City staff are involved and approve, along with the Head Lessee, the budget for commercial operations each year. The Head Lessee then provides quarterly detailed management reports including actual vs. budget analysis and explanation for any current or expected variances. Finally, the head lessee's financial performance is audited by a third party accounting firm as part of risk management endeavours, to provide assurance to the City that financial information received is reasonably free of material misstatements. The reporting packages from the head lessee are then used by management to compare performance versus benchmarks, and to enable corrective actions to be taken where/when appropriate.</p> <p>In reviewing the controls and models that have been developed to date with the AG's Office, the AG's Office has indicated that in order to truly evaluation the performance a cost allocation model should be implemented. See responses to recommendation 12, this is expected to be implemented upon full completion of the USRP and full operations of the retail elements, expected for late 2020.</p>

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No.	Recommendation	Management Comments
012*	City Council request the Chief Corporate Officer to develop and implement a cost allocation model that clearly defines how annual operating costs associated with different areas of Union Station will be allocated to and recovered from the Station's occupants.	The updated financial model will be used to develop a cost allocation model by tenant and common area. In the interim, staff have recovered costs where applicable through agreements with non-commercial and commercial tenants, except for direct costs related to commercial tenants through the Head Lessee, up to and including 2018. The methodology used is mostly consistent with the assumptions used in the updated financial model, which is also based on executed agreements with tenants. Once the station is fully operational the current cost allocations will be reviewed and any adjustments will be made, if required, to finalize a go-forward model that ensures the City maximizes cost recoveries it is entitled to. This is expected to be implemented upon full completion of the USRP and full operations of the retail elements, expected for late 2020.
013	City Council request the Chief Corporate Officer to determine the proportionate share of property taxes payable by each occupant at Union Station relative to the annual property tax bill.	Allocation and subsequent recovery of property taxes from clients was incorporated into the annual account reconciliations. For all non-commercial clients, amounts attributable to each client, where allowed on a contract-by-contract basis, have been communicated and collected from clients as part of retroactive reconciliation efforts. The only outstanding item are the direct recoveries from the Head Lessee, who has committed to working with the City to finalize this. This is expected to be fully completed and recovered by the end of 2019 / Q1 2020.
014*	City Council request the Chief Corporate Officer, in consultation with the Director, Accounting Services, to obtain a financial statement audit of the Leasing Manager's financial records for Union Station's commercial operations from 2010 to 2015.	<p>An audit of the Leasing Manager's management report(s) for the applicable years has been performed. City is in receipt of a draft of the audit results and discussing with Legal on next steps. The final report is anticipated to be delivered by the third party external auditor in Q4 2019.</p> <p>Refer to management response to Recommendation #02 for subsequent activities currently in process/planned as a follow-up to this recommendation.</p>
015	City Council request the Chief Corporate Officer to develop formal policies and procedures to perform periodic reviews of budgets and actual expenditures provided by the Head Lessee; reviews and explanations for variances should be documented and retained.	<p>Staff have developed a financial reporting timeline that documents the required financial reports, payments, receivables, and documentation throughout a fiscal year that aligns with the requirements in the Head Lease agreement. This also documents the relevant contract clauses for reference, as well as the roles and responsibilities of the various stakeholders of the Head Lease agreement. As stated in the response to recommendation 11, there is also a process around receipt of quarterly management reports (which include variance explanations) and development of future year budgets for the commercial operations.</p> <p>In reviewing the documentation with the AG's Office it was raised that this information should be formed as standard policies and procedures to help guide new staff. This will be developed and incorporated into the Real Estate leasing administration policies and procedures to ensure consistency with the broader lease management responsibilities across Corporate Real Estate Management. This will be implemented by the end of 2020, and in the interim the existing</p>

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No.	Recommendation	Management Comments
		documentation created will guide new staff and / or be used as a reference to ensure the proper procedures are followed.
017	City Council request the Chief Corporate Officer to implement processes to oversee the commercial enhancement works at Union Station for the purposes of ensuring that construction costs are minimized and the City only contributes up to its contractually agreed share of these enhancements.	<p>A process has been establish with the Head Lessee by which a 3rd party auditor reviews enhancement related expenses and allocations. The City and the Head Lessee both review these for accuracy and agreement. Review of expenses is ongoing and will continue as various parts of the station are turned over to for enhancement related construction and tenant fit-ups.</p> <p>Timeline: Current review will be completed in Q4 2019. Reviews of other enhancements will be completed as USRP construction is completed and the spaces is turned over to the Head Lessee throughout 2020.</p>
018	City Council request the Chief Corporate Officer to review the City's rights under the Head Lease Agreement to enter into rental agreements with the Head Lessee for use of office space in Union Station and take the necessary actions to generate leasing revenue and recover operating costs.	<p>The current conditions of the East Wing are not consistent with commercially rentable space and therefore any leases that would be able to be generated out of its current conditions would be de-valued due to these conditions. The plans with respect to the ability or rights to collect leasing revenues from the current non-City users of the East Wing will be included in the plans for the future uses of the East Wing, including an assessment of the City's right under the Head Lease agreement.</p> <p>Timeline: Q2 2020.</p>
020	City Council request the Chief Corporate Officer to clarify and summarize the terms in the Head Lease Agreement that are significantly material or subject to interpretation so that quick reference summaries are readily available for City staff assigned to manage leasing at Union Station.	<p>Real Estate and Legal Services staff, together with 3rd party legal counsel, determined that due to the complex and comprehensive nature of the Head Lease Agreement, it could in fact be detrimental to provide staff with a summary of the terms of the agreement that are "significantly material or subject to interpretation" because there would be an understandable tendency for staff to end up relying on the summary in their ongoing activities and not read the document itself. Therefor there was a foreseeable risk of staff being unaware of certain terms that were not, and by definition could not be, fully reflected in the summary, to the detriment of the City.</p> <p>However, it was determined that a relatively short, higher level, summary placed with the Head Lease Agreement so that persons dealing with the agreement would get a helpful general understanding as to what it covered but would have to actually read the agreement itself if they needed to deal with it in a meaningful way.</p> <p>Timeline: Q2 2020</p>

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**Division: Revenue Services****Report Date: 03/10/2017****Report Title: Auditor General's Review of Toronto Water Billing and Collections – Phase II: Water Billing and Water Meter Management Controls Require Strengthening**

No.	Recommendation	Management Comments
001*	<p>City Council request the Director, Revenue Services, to coordinate with Real Estate Services, Parks, Forestry &amp; Recreation, Toronto Water and other City Divisions, and develop a plan to:</p> <ul style="list-style-type: none"> <li>a. compile a complete list of all City-owned leased and licensed properties and determine whether water consumption is being billed in compliance with the lease or licensing agreement;</li> <li>b. implement a communication process for 'Do Not Bill' properties for timely status updates when these properties are leased, licensed or sold, to verify whether they should be billed for water consumption;</li> <li>c. review existing 'Do Not Bill' properties to identify if they should be billed for water usage and adjust the designation accordingly;</li> <li>d. review existing 'Garbage Only' properties to determine if any of these accounts are billable for water; and</li> <li>e. periodically monitor the status of all 'Do Not Bill' and 'Garbage Only' accounts for updating the billable status.</li> </ul>	<p>Work continues with Facilities, Parks and Recreation reviewing existing leases, (some of which are 50-years old and have complex arrangements) agreements or other arrangements where third-parties may be required to pay for water. Awaiting information from Parks and Facilities. Expected completion Q1 - 2020</p>
002*	<p>City Council request the Director Revenue Services in consultation with the City Solicitor, Real Estate Services, Parks Forestry &amp; Recreation and Toronto Water to:</p> <ul style="list-style-type: none"> <li>a. determine the back billing period for outstanding unbilled water consumption for City-owned leased and licensed properties and where required install water meters; and</li> <li>b. retroactively bill the water consumption accordingly</li> </ul>	<ul style="list-style-type: none"> <li>a. Work continues with Facilities, Parks and Recreation reviewing existing leases, agreements or other arrangements where third-parties may be required to pay for water. Anticipated completion Q2 - 2020</li> <li>b. Completion when lists are received.</li> </ul>
003	<p>City Council request the Treasurer implement a similar</p>	<p>Changes and process improvements will be fully incorporated into collection processes for property taxes, solid waste charges</p>

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No.	Recommendation	Management Comments
	process (as per recommendations 1 and 2) to ensure that applicable property taxes, solid waste charges and any other relevant city charges are being collected on all City-owned properties that are leased or licensed.	and other charges when recommendations 1 and 2 are complete.
004	City Council request the General Manager, Toronto Water, to coordinate with Toronto Building and explore opportunities for shared services relating to construction permit status reporting and water meter verification during building inspections.	<p>Toronto Water has been working with Toronto Building and Revenue Services to develop and implement a plan for reports to be sent automatically on a monthly basis to flag accounts without water meters.</p> <p>The reports will be based on permits issued or actual inspection:</p> <ul style="list-style-type: none"> <li>• All Demos Permits Issued</li> <li>• Vapour Barrier Stage (meter or no meter)</li> <li>• Final Interior Inspection (meter or no meter)</li> </ul> <p>The plan is to have the reports completed and sent to Toronto Water and Revenue Services by the end of Q4 2019</p>
006*	City Council request the Director, Revenue Services and General Manager, Toronto Water, to evaluate the feasibility of updating the water billing system with water meter records for multi residential properties, severed properties and properties with more than one street address associated with the same meter. A process should be developed for future updates to ensure every address is mapped to a water meter.	<p>Much of this information already exists in the WMACS System and can be found by manually cross-referencing property information with meter details and water service. Formalizing this Recommendation by providing specific linking fields is both complex and cost prohibitive in the current system, however, since the WMACS System is being re-developed, this Recommendation can be implemented as part of the new system's enhanced features where meter links can be built into the primary account page.</p> <p>Expected completion Q1 - 2021</p>
007*	City Council request the Director, Revenue Services and General Manager, Toronto Water, to review all property addresses in the various systems with a view to integrating data and developing exception reports for properties without a water meter. A similar process should be developed for billing other revenue sources, such as, property taxes and solid waste charges.	<p>Similar to above, much of this information already exists in the WMACS System and staff can determine which properties do not have meters. Moreover, Toronto Water has implemented a process whereby Toronto Building provides information on new structures and construction phasing which identifies when a property needs a meter. It is estimated that less than 1/100th of one- percent or fewer than 50 properties are missing meters (pending installation) based on work that was done to identify missing meters during this audit. The current system has meter information on a different page and therefore it is easy to identify which accounts have a missing meter. Changing this to have the information listed on the primary page on the current system is both complex and cost prohibitive, however, since the WMACS System is being re-developed, this Recommendation can be implemented as part of the new system's enhanced features.</p> <p>Expected completion Q1 - 2021</p>
009	City Council request the General Manager, Toronto Water, to develop system reports for water	As these types of automated reports are not in the current billing system or in the current works management system, Toronto Water staff will ensure that functional requirement will be

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No.	Recommendation	Management Comments
	meter service order management. The reports should include information such as, delays and other useful information that will help to effectively manage water meter service orders.	included in the new billing system and the new Enterprise Work Management System for this capability. Toronto Water will meet quarterly, with Revenue Services and the Enterprise Work Management System team, to receive updates on the new billing system and Enterprise Work Management System and to provide input so the new systems will be able to have the desired capabilities. Expected completion new Billing System Q1 2021, and expected completion of the new Works Management System Q4 2023.
010	City Council request the Director, Revenue Services, to develop an automated process for consistently charging the administrative fee for water bill payment transfers.	When transferring water bill payments, the system prompts staff to identify whether they want the payment fee applied. By clicking on the prompt, the fee is applied. Further automation is anticipated with the redevelopment of the new WMACS.
012	City Council request the Director, Revenue Services, to evaluate whether separate transaction codes can be created to identify customer and City initiated bill reversals, adjustments and refunds. Reports should be developed using the new codes to identify and monitor the underlying reasons for these transactions.	Transaction codes already exist and information on whether the adjustments or reversals originated from City staff or customers can be found by cross-referencing the enquiry fields. However, the current system doesn't have the ability to identify originating source in order run reports and therefore, this enhancement will be built as part of the new system development which is currently underway. Expected completion Q1 - 2021
014*	City Council request the Director, Revenue Services, to revise the procedure for granting and monitoring user access in the water billing system. The access should be removed on a timely basis for inactive and unauthorized accounts. The practice of creating temporary accounts without expiry dates should be stopped.	Revenue IT currently runs a monthly report which identifies all WMACS Users. When user's access has not been used in 30-days, account is disabled. (See Applications Security Policy and Procedures – Version Number 1.8 "Disabling Accounts" Section: 3.1.2.1) Will implement new changes by Q3 2019 to verify process and action is completed.

**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**

No.	Recommendation	Management Comments
001*	City Council request the Chief Building Official and Executive Director to develop an action plan to resolve dormant permits. The Action Plan should include:  a. A communication strategy to	As part of a communication strategy to educate property owners about their responsibilities to inform the City about the progress of their construction projects, Toronto Building has implemented the Introductory Inspection service. Under this program, an area inspector visits the site at the beginning of a project to go over what the responsibilities are for the homeowner/builder, emphasizing their responsibility to meet the requirement to close

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No.	Recommendation	Management Comments
	<p>educate property owners about their responsibilities and obligations to inform the City about the progress of their construction project.</p> <p>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.</p>	<p>the permits once the work is completed.</p> <p>In addition, Toronto Building's dedicated enforcement unit is continuing to work on closing open permits where a more substantial review of outstanding issues is required. Pre-revocation letters are being sent to owners where there are open permits on record with no inspections performed in over a year. Information of the Active Permit Review Program is posted on the City of Toronto's website.  <a href="https://www.toronto.ca/services-payments/building-construction/building-inspections/active-permit-review-program/">https://www.toronto.ca/services-payments/building-construction/building-inspections/active-permit-review-program/</a></p> <p>As part of Toronto Building's dormant permit action plan, work to close existing permits is continuing throughout all four districts. As the program continues, priority will be given to resolve dormant permits that are classified as vacant land. Toronto Building will work with Revenue Services to obtain a database of properties that are classified as vacant land.</p> <p>Timeline: Q3-2020</p>
002*	<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> <p>a. Reports identifying properties with completed construction still coded as vacant land.</p> <p>b. Reports of properties with open permits coded as vacant land and consuming water.</p>	<p>Item (a): Revenue Services is pending training from Building Services so that they may be able to extract information regarding occupancy permits/completed construction in order to identify properties.</p> <p>Item (b): Revenue Services generated a test report in the fall of 2018. The report was provided to MPAC for follow up and revision to the assessment roll. However, MPAC has indicated that the report is not helpful or necessary as the information is already available to them. In order to be assured that action is being taken in a timely manner, Revenue Services has asked MPAC to identify in Municipal Connect the date they last visited the property. MPAC has not advised on the feasibility of our request.</p> <p>Timeline: Q3-2020</p>
004*	<p>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.</p>	<p>Toronto Building is undertaking a comprehensive Program Review that will include an examination of building inspection services. This review will consider what measures can be implemented to deter the occurrence of no-show inspection visits including whether a fee can be charged to property owners when no one appears for a scheduled site inspection.</p> <p>Timeline: Q2-2020</p>

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

No.	Recommendation	Management Comments
002*	City Council request the Director, Revenue Services, to develop a report to identify missing information in water accounts and ensure accounts are updated.	<p>There are currently multiple reports that are run in the Utility Billing Unit to help capture missing information on accounts to ensure accurate and correct data is maintained within WMACS. On a weekly basis, accounts in 'To Be Billed' status are scanned to identify errors or bad data. This report assists in identifying missing information.</p> <p>Further, Utility Billing utilizes a monthly or more frequent report to identify 'Not Billed' accounts. This report is used to identify accounts that have not been billed, and in some cases has proved to be successful to identify missing meter information. Lastly, Utility Billing is part of a continuous and on-going process to link accounts. This process is done on a regular basis to ensure accounts are linked to tax, and therefore reflect more accurate information as properties are added, deleted or modified on the tax roll.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
003*	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.	<p>A process flow has been created and the procedures documented. There are currently three contracted collection agencies that can be assigned outstanding utility receivables. Assignment to third party collection agency is pending the completion of the review of the aged receivable report currently underway in Revenue's Collections unit.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
006*	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.	<p>As part of the review of the outstanding aged receivables report, accounts which do not have corresponding property tax accounts are being reviewed and where possible linked to tax accounts. Link requests are forwarded to utility billing staff.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
007*	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	A meeting between Revenue Services Director and staff of Legal Services Division was held on Oct. 29, 2018 to review the feasibility of charging interest on overdue water accounts. Changes to existing Municipal Code provisions would be required to implement, and further discussions with Toronto Water were held on April 17, 2019 to discuss whether this change can/should be implemented.

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years



No.	Recommendation	Management Comments
	transfer to property taxes. Such a change may require amendment to the City of Toronto Municipal Code.	This review is expected to be complete by year end 2019.
008*	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.	<p>As part of the review of the aged receivable report, attempts to collect on inactive accounts will continue and if all internal efforts fail (example: transfer to tax or demand letters), then the account will be issued to the collection agency and/or written off. A process flow has been created and procedures have been documented.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
011*	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.	<p>The process for closing accounts is highly dependent on home owners or legal firms advising the Division of the intended change of ownership. In many cases, delays exist because the Division is notified of a purchase and sale long after the sale and closing is executed. In Q2 2018, Revenue launched a new on-line mailing address self-service feature to allow utility customers to advise the City of a change in mailing address information. Revenue Services will continue to investigate the feasibility of using additional data sources to confirm ownership changes, and will develop benchmarks to ensure that property ownership changes are completed on a timely basis after notification of the ownership change.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
012	City Council request the Director, Revenue Services, to develop a formal dispute resolution process and reporting criteria for disputes that remain unresolved for an extended period of time. The process should also include communication to clients for payment of current dues while the disputed amounts are being resolved.	<p>Toronto Water has a formal dispute process for water bills. Customer disputes are sent to Revenue Service for investigation. Revenue Services forwards their findings to Ian McDowell for response to the customer.</p> <p>The Official Complaint Form can be accessed at the following link <a href="https://www.toronto.ca/wp-content/uploads/2017/11/9944-TorontoWater_Complaint-Form_nov2017.pdf">https://www.toronto.ca/wp-content/uploads/2017/11/9944-TorontoWater_Complaint-Form_nov2017.pdf</a>.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
013*	City Council request the Director, Revenue Services, to review existing outstanding balances for inactive accounts and develop a strategy to collect these accounts.	As part of the review of the aged receivable report, attempts to collect on inactive accounts will continue and if all internal efforts fail (example: transfer to tax or demand letters), then the account will be issued to the collection agency and/or written off. A process flow has been created and procedures have been documented to collect on inactive accounts.

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No.	Recommendation	Management Comments
		The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.
014*	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.	A preliminary review of the credit balance listing was initiated in 4th quarter 2018. Due to other pressing matters, final review of the credit listing and evaluation of whether credit balances on inactive accounts can be transferred to revenue is expected to be completed by 4th quarter 2019.
015	City Council request the Director, Revenue Services, to review practices at other municipalities relating to treatment of small balances for inactive accounts and develop criteria to clean-up such accounts.	<p>The Financial Controls By-law, (Chapter 71) Section 17(1)A allows for amounts under \$50,000 to be written off. This will be added into the process for the review and collection of aged utility receivables. The option to write off outstanding utility amounts will only be utilized once all collection efforts have been exhausted.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>
018*	<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>	<p>A meeting with Toronto Water staff on April 17, 2019 identified that a protocol will be drafted in Q2 2019 to address when/how City accounts will be billed for water service.</p> <p>a) These accounts are noted as to the reasons why they should not be billed or where special internal billing should be sent. Furthermore, a "No Bill" report exists to identify accounts that have not been billed.</p> <p>b) City accounts will be identified during the review of the aged utility receivables by the collection unit. All accounts identified as non collectible will be included in the write-off list for consideration and approval by the Treasurer.</p>
019	City Council request the Director, Revenue Services, to review the recommendations in this report and where applicable implement similar processes for collection of	Section 264(2) of the City of Toronto Act, 2006 was amended to allow the City Treasurer to add to the tax roll and collect in the same manner as municipal taxes any fees or charges that the City imposes for the supply of a service or thing to a property.

\*High priority outstanding recommendations

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No.	Recommendation	Management Comments
	overdue solid waste management accounts.	<p>Further changes and process improvements for water as recommended above will apply, as appropriate, to collection of outstanding solid waste receivables.</p> <p>The Division believes this recommendation to be substantially implemented as at September 2019. The Division will compile the necessary documentation by Q3 2020 to substantiate that the recommendation has been fully implemented.</p>

**Division: Revenue Services**

**Report Date: 10/03/2015**

**Report Title: Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)**

No.	Recommendation	Management Comments
002*	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.	<p>A draft process has been developed, but further refinements are required. PILT accounts are reviewed and if underpaid, the account is given to Revenue's Assessment Analysis Unit to determine if further action is required (e.g., scheduling a hearing before the Dispute Advisory Panel (DAP)).</p> <p>Currently, there is an annual PILT status report that goes to Council.</p>
004*	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.	<p>A process to identify unreasonably delayed payments for payment in lieu amounts, and to request supplementary payments where warranted is under review. Implementation remains pending.</p>

\*High priority outstanding recommendations

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