



## STAFF REPORT INFORMATION ONLY

### Terms of Reference – Paid Duty System Audit, Toronto Police Service

<b>Date:</b>	June 29, 2010
<b>To:</b>	Audit Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### SUMMARY

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The purpose of this report is to provide the Audit Committee with a copy of the Terms of Reference for the Toronto Police Service - Paid Duty System Audit.

#### RECOMMENDATION

It is recommended that the Audit Committee receive this report.

#### Financial Impact

There are no financial implications with regard to the receipt of this report.

#### ISSUE BACKGROUND

At its meeting held on June 29, 2010, the Toronto Police Services Board was in receipt of a report, dated June 08, 2010, from Jeffrey Griffiths, Auditor General, City of Toronto, with regard to the Terms of Reference for the Paid Duty System Audit.

#### COMMENTS

The Board received the Auditor General's report and agreed to forward a copy to the City of Toronto – Audit Committee for information.

A copy of Board Minute No. P170/10, in the form attached as Appendix "A" to this report, regarding this matter is provided for information.

**CONTACT**

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**SIGNATURE**

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Alok Mukherjee  
Chair, Toronto Police Services Board

**ATTACHMENT**

Appendix A – Board Minute No. P170/10

A: terms of reference\_paid duty system audit.tps.doc

## Appendix A

### **THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON JUNE 29, 2010**

#### **#P170. TERMS OF REFERENCE – PAID DUTY SYSTEM AUDIT, TORONTO POLICE SERVICE**

The Board was in receipt of the following report June 08, 2010 from Jeffrey Griffiths, Auditor General, City of Toronto:

Subject: Terms of Reference – Paid Duty System Audit, Toronto Police Service

#### **SUMMARY**

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This report presents the Terms of Reference for the Auditor General's audit of the paid duty system operated by the Toronto Police Service. The attached Terms of Reference outlines the scope and objectives of the audit. The Terms of Reference may be amended to reflect changing circumstances and is meant to be flexible.

#### **RECOMMENDATIONS**

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

1. The Toronto Police Services Board receive the Auditor General's report on the Terms of Reference for an audit of the paid duty system administered by the Toronto Police Service.
2. The Toronto Police Services Board forward this report to the Audit Committee for information.

#### **FINANCIAL IMPACT**

There are no financial implications resulting from the adoption of this report

#### **DECISION HISTORY**

At its December 17, 2009 meeting the Toronto Police Services Board approved a recommendation requesting the Auditor General to "review the entire paid duty system, procedures, practices and related legislative requirements to assess the effective, efficient and appropriate use of police resources."

## COMMENTS

Sections 177 through 182 of the *City of Toronto Act, 2006* formalized the appointment of the Auditor General for the City of Toronto. However, the role of the City's Auditor General at the Toronto Police Service under the *City of Toronto Act* is restricted. In essence, the Auditor General of the City of Toronto under the new legislation has no authority to independently access records or conduct audit work at the Toronto Police Service. In order for the Auditor General to perform audit work at the Toronto Police Service, the Toronto Police Services Board must approve a request for the Auditor General to perform the audit.

At its December 17, 2009 meeting the Toronto Police Services Board approved a recommendation requesting the Auditor General to “*review the entire paid duty system, procedures, practices and related legislative requirements to assess the effective, efficient and appropriate use of police resources.*”

At the same meeting, the Board also requested the City Manager to “*review any City of Toronto By-laws, and any related processes or practices that relate to, or govern, requirements for paid duty officers and to report to City Council, through the Executive Committee on the results of this review, and to forward this report to the Board.*”

In determining the scope and objectives of the audit, the Auditor General met with the City Manager, the Chief of Police, and the Chair and Vice-Chair of the Police Services Board. In addition, the Auditor General conducted a preliminary assessment of the paid duty system to determine the scope and objectives of the audit.

The attached Terms of Reference provides the background, operational highlights, and scope and objectives of the paid duty system audit. The overall objectives of the audit are to determine compliance with legislative and policy requirements, and whether the paid duty system is operated in a cost effective and efficient manner. The scope of the audit work may change depending on issues identified during the audit.

**The Board received the foregoing report and agreed to forward a copy to the City of Toronto – Audit Committee for information.**

AUDITOR GENERAL'S OFFICE  
TERMS OF REFERENCE

Division/Board: Toronto Police Services Board  
Project Name: Paid Duty System, Toronto Police Service  
Year of Audit: 2010  
Project Code: 10-TPS-01

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## A. Introduction/Background

At its December 17, 2009 meeting the Toronto Police Services Board approved a recommendation requesting the Auditor General to “*review the entire paid duty system, procedures, practices and related legislative requirements to assess the effective, efficient and appropriate use of police resources*”.

At the same meeting, the Board also requested the City Manager to “*review any City of Toronto By-laws, and any related processes or practices that relate to, or govern, requirements for paid duty officers and to report to City Council, through the Executive Committee on the results of this review, and to forward this report to the Board*”.

In considering the audit scope and objectives, the Auditor General is of the view that a review of City By-laws governing paid duty assignments is a critical component of the audit. The Auditor General subsequently met with the City Manager, the Chief of Police, and the Chair and Vice-Chair of the Police Services Board regarding the paid duty audit and the inclusion of a review of City By-laws governing paid duty assignments as part of the audit. This was supported by all parties consulted. In addition, the Auditor General conducted a preliminary assessment of the paid duty system to determine the scope and objectives of the audit.

## B. Financial/Operational Highlights

The Police Services Act grants the authority for a police officer to perform paid duty assignments in a private capacity, providing that the services have been arranged through the police force.

The Toronto Police Service operates a paid duty system whereby off-duty police officers can be hired by members of the private sector and the community to perform policing duties at private events or activities where the presence of a police officer is deemed necessary. Examples of private events or activities requiring paid duty officers include construction projects, funeral escorts, road closures, television and movie shoots, fundraising events, and security at special events.

All paid duty arrangements are coordinated by the Central Paid Duty Office within the Toronto Police Service. Officers performing paid duty assignments cannot be scheduled to perform regular duties during the same time period. Officers providing paid duty service are paid by the organizations requesting the service at a rate set by the Toronto Police Association under the authority of the Uniform Collective Agreement.

The 2010 rate for hiring a police constable is \$65 per hour for a minimum of three hours. The rates for hiring supervisory officers are higher. In 2009 approximately \$24 million was paid to police officers for performing a total of 370,562 hours of paid duty service.

Where equipment such as police vehicles or motorcycles is required in performing paid duty service, the hiring organization pays for the use of the equipment. In addition, a 15 per cent administrative fee is charged to the total paid duty cost, and a further 5 per cent GST is applied to the administrative fee and use of police equipment.

#### C. Key Financial/Operational Issues and Controls

Although technically off duty, police officers hired by organizations for paid duty assignments are still governed by the Police Services Act, Toronto Police Service policies and procedures, and the Uniform Collective Agreement.

The Toronto Police Service has developed a centralized paid duty system and internal policies and procedures governing paid duty officers.

Toronto Police Service Procedure 20-15 “Special Events” outlines the criteria for determining whether on duty or paid duty officers should be deployed at a special event. The unit commander of the police division where the paid duty service is required determines, in consultation with the event organizer, the number of police officers required to adequately police the event. Service Procedure 20-01 “Paid Duties” outlines the criteria to be followed when receiving, assigning, performing, and supervising officers involved in paid duty assignments.

#### D. Audit Objectives and Scope

The overall objectives of the audit are to determine compliance with legislative and policy requirements, and whether the paid duty system is operating in a cost effective and efficient manner.

The audit objectives were determined based on a preliminary review of the paid duty system and related staff reports. The scope of the audit work may change depending on issues identified during the audit process.

The audit will cover the period from January 1, 2009 to June 30, 2010.

Audit methodology will include a review of relevant legislative and policy requirements, interviews with Toronto Police Service senior management, staff personnel involved in the paid duty system, examinations of documents and records, analyses of data, and any other procedures deemed appropriate. Benchmarking paid duty practices of other jurisdictions will also be conducted.