



# AUDITOR GENERAL'S REPORT ACTION REQUIRED

## Auditor General's Status Report on 2014 Audit Work Plan

<b>Date:</b>	April 29, 2014
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

### SUMMARY

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The purpose of this report is to provide the status of the Auditor General's 2014 Audit Work Plan to the Audit Committee and City Council. The status of individual audit projects included in 2014 Audit Work Plan is attached as Appendix 1 to this report.

For 2014, there are no scheduled Audit Committee meetings after June 27, 2014. Consequently all audits completed after June 2014 will be reported in 2015.

The 2014 Audit Work Plan provides a balance of audit work that will result in improving overall City operations by identifying potential risks, strengthening management controls, improving accountability and enhancing the efficiency and effectiveness of City services.

### RECOMMENDATION

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**The Auditor General recommends that:**

1. City Council receive the Auditor General's status report on 2014 Audit Work Plan.

#### **Financial Impact**

The recommendation in this report has no financial impact.

## DECISION HISTORY

The Auditor General submitted the 2014 audit work plan to the Audit Committee on October 31, 2013. The report can be found on the City Web site at:

<http://www.toronto.ca/legdocs/mmis/2013/au/bgrd/backgroundfile-62630.pdf>

## COMMENTS

The Auditor General submits an audit work plan each year to the Audit Committee and City Council. The purpose of the Auditor General's Work Plan is to provide Audit Committee and Council with an overview of how resources allocated to the Auditor General's Office are used during the year.

The Audit Work Plan is a combination of audits in progress, new audit projects, annual recurring projects and investigative work carried out as a result of complaints received through the Fraud and Waste Hotline. The Audit Work Plan also includes a formal follow-up review to ensure recommendations contained in previously issued audit and investigative reports have been implemented.

Audit projects included in the audit plan vary in scope and size and therefore require different timelines. Projects initiated late in the year are carried forward to the next year.

The 2014 work plan included 2013 work plan projects already in progress at the beginning of 2014 and new audit projects initiated during 2014. A project reporting status summary is provided in Table 1 below.

<b>Table 1: Project Reporting Status Summary</b>	
Projects reported February 2014	6
Projects reported May 2014	4
Project reporting expected June 2014	7
Project reporting expected 2015	13
<b>Total</b>	<b>30</b>

As there are no scheduled Audit Committee meetings after June 27, 2014, audits completed after June 2014 will be reported in 2015.

In addition to audits listed in the 2014 Audit Plan, the Auditor General reported to the February Audit Committee the results of a meeting with the Auditor General of Montreal and the Director of Research for the Charbonneau Commission. The purpose of the meeting was to discuss matters related to City procurement processes and related audit issues.

All audit reports presented to Audit Committee and Council can be viewed at:  
<http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=d46d902e72464410VgnVCM10000071d60f89RCRD&vgnextfmt=default>

The status of individual audit projects included in the 2014 Audit Work Plan is attached as Appendix 1 to this report.

The audit work plan is intended to be flexible and subject to amendments based on emerging issues or new developments. Adjustments to the work plan are made as required and amendments are reported to the Audit Committee and City Council for information.

## **CONCLUSION**

The 2014 Audit Work Plan provides a balance of audit work resulting in improvements to City operations by identifying potential risks, strengthening management controls, improving accountability and enhancing the efficiency and effectiveness of City services.

## **CONTACT**

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## **SIGNATURE**

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Jeff Griffiths, Auditor General

99-AGO-01

## **ATTACHMENTS**

Appendix 1: Auditor General's 2014 Work Plan – Audit in Progress and New Audit Projects

**AUDITOR GENERAL'S 2014 WORK PLAN –  
AUDITS IN PROGRESS AND NEW AUDIT PROJECTS**

**NOTE: For 2014, as there will be no further Audit Committee meetings after June 27, 2014. Audits completed after June 2014 will be reported in 2015.**

Completed and Reported February 2014

1. Operational Review of Toronto Building Inspection Process
2. Seminar and Conferences Expenses Review
3. Post-implementation Audit of Awarded Garbage Collection Contract
4. TTC Vehicle Maintenance Phase 1 – Bus Fleet
5. Continuous Controls – 2013 Overtime, Standby and Mileage Final Report
6. Continuous Controls Monitoring – Toronto Transit Commission, 2013 Overtime

Expected Completion and Reporting by May 2014

7. Review of the Redevelopment of the Sony Centre
8. Management of Construction Warranties
9. PAN-AM Games - Review of Controls on Management of Capital Projects
10. Continuous Controls – 2013 City Absenteeism Report

Expected Completion and Reporting by June 2014

11. Review of Controls on Social Housing Provider Subsidies
12. Operational Reviews of Build Toronto and Invest Toronto
13. Review of Absenteeism for Management and Non-Union staff
14. Review of City Telecommunication Expenses and Controls
15. Review of Employee Severance Costs
16. Follow-up on Outstanding Recommendations from Previous Audit Reports
17. City and TTC Continuous Controls Monitoring Reports- Overtime, Standby Pay, Mileage and Absenteeism (*with periodic reporting thereafter*)

Will Be Reported in 2015

18. Use of Information Technology Professional Services by the City
19. Human Resources – Review of Organization, Learning and Workforce Planning Section
20. Review of Expenditures on Consultants
21. Review of Reserves and Other Deferred Revenue Accounts
22. Review of Controls over Acquisition and Use of Major Software Licenses
23. Facilities Management – Security and Safety
24. Toronto Community Housing Corporation – Review of Housing Connections

25. Toronto Transit Commission – Review of Impacts/Relationships between Staff Overtime, Pension Costs and Absenteeism
26. Property Tax Billing and Collection Process
27. Toronto Parking Authority - Review of Off-Street Parking
28. TTC Vehicle Maintenance Phase 2 – Wheel-Trans and Non-Revenue Vehicles
29. Review of Exhibition Place Parking Revenue
30. Risk Assessment