



**Presentation to Audit Committee  
June 27, 2014**

**Follow Up Process  
Relating to the Implementation of  
Audit Recommendations**

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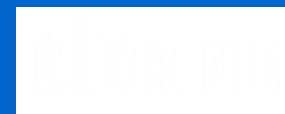
**Alan Ash, CIA, CFE, CGAP – Director**





# Process for Following Up on the Implementation of Audit Recommendations

- A review of the implementation status of audit recommendations is conducted every 12 months
  - Management identifies the status of each recommendation
  - Audit work is performed to validate the implementation of recommendations identified as implemented
  - Where management indicated that a recommendation was not implemented, audit work was not performed.
  
- A follow up is conducted annually until all recommendations are implemented





# Toronto Community Housing Corporation Results of Follow Up of Previous Audit Recommendations





## Results of Follow-up of Previous Audit Recommendations

- Results have been reported to the TCHC Corporate Affairs & Audit Committee
- Results have been reported to the TCHC Board
- Results are forwarded to the City's Audit Committee for information





# Reports Issued by the Auditor General to Toronto Community Housing Corporation

## 2011

- Procurement Policies and Procedures Are Not Being Followed (31 recommendations)
- Controls Over Employee Expenses Are Ineffective (10 recommendations)

## 2012

- Review of Controls Over Procurement and Payment Functions at TCHC Subsidiary: Housing Services Inc. (19 recommendations)
- The City and Toronto Community Housing Corporation Needs to Strengthen its Oversight of Subsidiaries and Other Business Interests (9 recommendations)
- Fleet Management - Lack of Central Oversight Has Led to Control Deficiencies (11 recommendations)







## Actions Taken by TCHC in Response to Audit Reports (1)

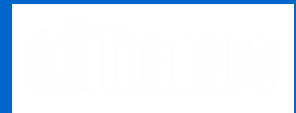
- Established a professional and independent internal audit function
- Increased oversight of purchases by the Strategic Procurement Unit on a financial risk-based approach
- Revised the Employee Expense Policy to provide for improved controls and closer scrutiny of employee expenses
- Ongoing discussions between TCHC and the City to explore opportunities to share services (e.g. completed transfer of TCHC Fleet to the City)





## Actions Taken by TCHC in Response to Audit Reports (2)

- Approved the dissolution of subsidiary (Housing Services Inc.)
- Revised the Framework for Establishing Subsidiaries to be approved by the TCHC Board of Directors in 2014





# Summary of Results

- During 2013, TCHC fully implemented 19 out of the remaining 37 recommendations

	# of Recs	Remaining (2013)	Implemented in 2013	Remaining (2014)
TCHC Procurement	31	17	10	7
Employee Expenses	10	3	2	1
HSI Procurement	19	10	3	7
Subsidiary Oversight	9	7	4	3
Fleet Management	11	0	0	0
	<b>80</b>	<b>37</b>	<b>19</b>	<b>18</b>







# Updated Cost Savings and Cost Avoidances

	Recurring	5-Year Total
TCHC Procurement	8,146,000	41,065,000
Employee Expenses	1,300,000	6,500,000
HSI Procurement	-	-
Subsidiary Oversight	416,000	2,080,000
Fleet Management	121,000	605,000
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	<b>\$ 9,983,000</b>	<b>\$ 50,250,000</b>

