



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Amended 2016 Audit Work Plan

Date:	June 13, 2016
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to advise the Audit Committee of amendments to the Auditor General's 2016 Audit Work Plan.

The Auditor General, after considering recent audit results and resource availability, decided to add the following three projects to the 2016 audit work plan:

- Audit of the Fair Wage Office
- Audit of Toronto Transit Commission (TTC) Accounts Payable
- Audit of TTC Telecommunication Expenses

RECOMMENDATION

The Auditor General recommends that:

1. City Council receive the Auditor General's amended 2016 Audit Work Plan.

Financial Impact

The recommendation in this report has no financial impact.

DECISION HISTORY

The Auditor General's 2016 audit work plan was adopted by the Audit Committee at its October 2015 meeting, and subsequently by the City Council at its November 2015 meeting. The report is accessible at:

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-84582.pdf>

On February 17, 2016, City Council adopted with amendments the 2016 Budget Committee Recommended Tax Supported Operating Budget. Council approved two additional positions for the Auditor General’s Office to increase its audit coverage at the TTC. The staff report recommending approval of the 2016 Capital and Operating Budget is available at:

<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-90361.pdf>

In light of the additional funding from the City Council and further consideration of risks and priorities in TTC operations, the Auditor General updated her 2016 and 2017 TTC audit work plan, and submitted an updated work plan report to the TTC Audit and Risk Management Committee and the TTC Board in May 2016. The report is accessible at:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/May_31/Reports/7_AG_Report_-_TTCV_Updated_Audit_Work_Plan_for_2016_and_2017.pdf

COMMENTS

The audit work plan is intended to be flexible and subject to amendments based on emerging issues or new developments. The Auditor General, after considering recent audit results and resource availability, decided to add the following three projects to the 2016 audit work plan:

- Audit of the Fair Wage Office
- Audit of Toronto Transit Commission (TTC) Accounts Payable
- Audit of TTC Telecommunication Expenses

1. Audit of the Fair Wage Office

The Auditor General has recently completed an audit of management controls, cost and quality of cleaning services. During the course of the audit, we identified a need to strengthen monitoring of vendor compliance with Fair Wage requirements. This issue is included in the Auditor General’s report entitled “Maximizing Value from Cleaning Contracts” that will be presented to the Audit Committee at its July 4, 2016 meeting.

The Auditor General is initiating a new project to review the processes used by the Fair Wage Office to ensure compliance with the fair wage requirements in contracts. The audit will commence in July 2016.

2. Audit of TTC Accounts Payable

The audit will assess adequacy of processes and controls over payment of vendor invoices. Based on the audit results, we will determine whether a Continuous Controls Monitoring process is needed in this area.

The audit is planned to begin in July 2016.

3. Audit of TTC Telecommunication Expenses

The audit will assess internal controls over the management of telecommunication service contracts, payment of invoices to vendors, and monitoring of telecommunication expenses by TTC management. Based on the audit results, we will evaluate whether a Continuous Controls Monitoring process is needed in this area.

The audit will be commenced in the fall of 2016.

CONTACT

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SIGNATURE

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