

## **Auditor General's Office – Forensic Unit Status Report on Outstanding Recommendations**

**Date:** February 6, 2019

**To:** Audit Committee

**From:** Auditor General

**Wards:** All

### **SUMMARY**

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This report provides information regarding the implementation status of publicly reported recommendations made by the Forensic Unit of the Auditor General's Office. These recommendations were made in the context of the annual reports on the Fraud and Waste Hotline and other special reviews conducted.

Confidential recommendations may also be made to management as a result of investigations. The implementation status of confidential recommendations is communicated directly to the City Manager.

Following up on outstanding recommendations from previous reports is important and ensures that management has taken appropriate action to implement recommendations.

From January 1, 2007 to December 31, 2016, a total of 30 recommendations made by the Forensic Unit were reported publicly. Twenty-nine of the recommendations were implemented before 2017.

One recommendation remains outstanding and was included in the 2018 follow-up review. Management reported that this recommendation was not fully implemented and therefore we did not conduct any work on this recommendation.

Continued efforts to implement outstanding recommendations will provide additional benefits to the City through cost savings, additional revenue, control improvements and enhanced service delivery.

## **RECOMMENDATIONS**

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The Auditor General recommends that:

1. City Council receive this report for information.

## **FINANCIAL IMPACT**

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There is no financial impact resulting from the adoption of the recommendation in this report.

## **DECISION HISTORY**

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On an annual basis, the Auditor General reviews the implementation status of outstanding recommendations and reports the results of the review to Council through the Audit Committee. This report is the ninth annual report issued by the Auditor General related to the implementation status of outstanding recommendations made by the Auditor General's Forensic Unit.

## **ISSUE BACKGROUND**

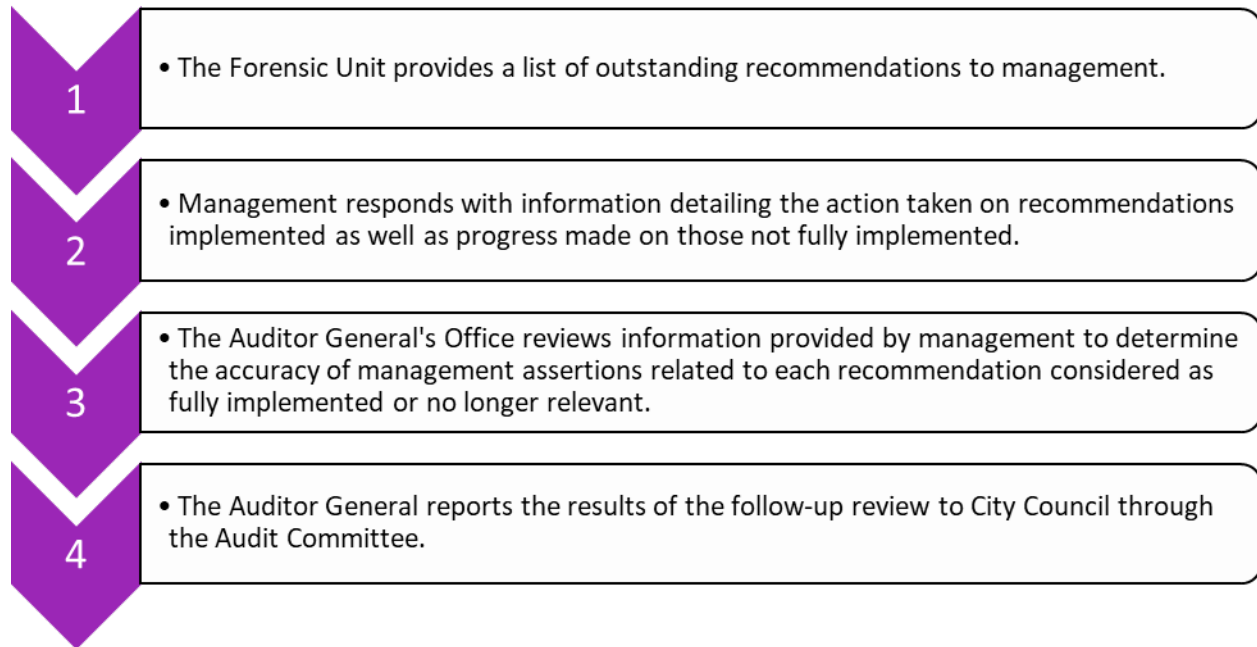
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The Auditor General's Forensic Unit is responsible for the operation of the Fraud and Waste Hotline. This includes conducting and coordinating investigations or reviews directed at the detection of fraud, waste and wrongdoing involving City resources. In this context, the Auditor General's Office may make recommendations that management is responsible for addressing.

The Auditor General reports to the Audit Committee each year on the implementation status of outstanding recommendations.

The key steps in our recommendation follow-up process are:

**Figure 1 - Key Steps in the Forensic Unit Recommendation Follow-up Process**



The work performed in relation to this follow-up report does not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). However, we believe the evidence obtained provides a reasonable basis for our findings and conclusions.

## **COMMENTS**

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From January 1, 2007 to December 31, 2016, a total of 30 recommendations made by the Forensic Unit were reported publicly. Twenty-nine of the recommendations were implemented before 2017.

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Table 1 below contains cumulative results for all publicly issued recommendations made by the Forensic Unit in the context of the Auditor General's operation of the Fraud and Waste Hotline Program from January 1, 2007 to December 31, 2016.

**Table 1: Status of Recommendations Issued from January 1, 2007 to December 31, 2016**

<b>Status of Recommendations</b>	<b>Number of Recommendations</b>
Total number of recommendations issued from 2007 to 2016	30
<b>Implementation Status as of September 2018</b>	
Fully Implemented	29
Not Fully Implemented	1
<b>Fully Implemented as a percentage of total recommendations</b>	<b>97%</b>

Recommendations determined as fully implemented will not be included in the next year's follow-up review. The one remaining recommendation reported as not fully implemented will be included in future follow-up reviews until it has been implemented.

Attachment 1 contains one recommendation that has not been fully implemented, along with management planned actions and time frames.

## **CONTACT**

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## **SIGNATURE**

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Beverly Romeo-Beehler  
Auditor General

## **ATTACHMENTS**

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Attachment 1: Forensic Unit – Public Recommendations – Not Fully Implemented