

Attachment 2

Auditor General's 2019 Status Report on Outstanding Audit Recommendations - City Division in City Manager's Office

PUBLIC RECOMMENDATIONS – FULLY IMPLEMENTED

Division: People, Equity & Human Rights
Report Date: 10/13/2016
Report Title: Strengthening Enforcement of the Fair Wage Policy

No.	Recommendation
001	City Council request the Manager, Fair Wage Office, to ensure that payroll investigations, where possible and resource permitting, include procedures that verify the completeness and accuracy of vendor-provided payroll information.
005	City Council request the Manager, Fair Wage Office, to effectively enforce the non-compliance provisions in the Fair Wage Policy particularly in cases where a vendor does not provide the required payroll information to the Office.
007	City Council request the Manager, Fair Wage Office, to give consideration to extending Fair Wage Policy investigations to subcontractors where applicable and feasible.
013	City Council request the City Solicitor, in consultation with the Manager, Fair Wage Office, consider submission for enactment by City Council, amendments to the current Fair Wage Policy, such that: a. Updates to the Fair Wage Schedule follow the ratification of construction industry collective agreements; b. The Policy reflects the current reporting structure.

Division: People, Equity & Human Rights
Report Date: 10/07/2015
Report Title: Maximizing Value from a Learning Management System

No.	Recommendation
002	City Council request the Chief Information Officer and the Executive Director of Human Resources to develop, maintain and report on performance measures to evaluate the efficiency and effectiveness of the Enterprise eLearning Initiative prior to any contract renewal.

Division: People, Equity & Human Rights
Report Date: 05/01/2015
Report Title: Improving the Administration of City Training Programs

No.	Recommendation
007	City Council request the Executive Director, Human Resources in consultation with City Divisions to formalize and implement an evaluation framework measuring training effectiveness.
008	City Council request the City Manager in consultation with City Divisions to evaluate courses with low attendance and if deemed necessary and useful, consider alternative methods of delivery.
009	City Council request the City Manager to establish a Corporate reporting protocol clearly outlining roles and responsibilities for systematic reporting on City training activities, achievements and costs.

PUBLIC RECOMMENDATIONS – NOT FULLY IMPLEMENTED

Division: City Manager's Office

Report Date: 05/01/2014

Report Title: Cost Benefits of Extended Warranties for Construction Projects Are Unknown

No.	Recommendation	Management Comments
003	City Council request the City Manager develop warranty documentation standards and reports to improve information tracking and communication between staff.	<p>AG's Office assessed Engineering & Construction Services Division and Facilities Management Division have implemented the recommendation.</p> <p>Parks, Forestry & Recreation Division, Solid Waste Management Services Division, Transportation Services Division, Toronto Water Division have not fully implemented the recommendation. Below is management comments from the Divisions:</p> <p><u>Parks, Forestry & Recreation Division:</u> PFR Construction Management have formal processes in place for managing, tracking and monitoring construction warranties. Our Standard Operating Manual has been updated to better articulate our general practices. As the improvements to the documentation were made recently compliance could not be validated by AG's Office, however, the status of warranties is being reviewed regularly to ensure compliance, and additional fields have been added to PFRAMS (PFR project tracking system) to formalize the management of that data, and for enhanced monitoring and reporting. The details will be confirmed during the next review by the AG's Office.</p> <p><u>Solid Waste Management Services Division:</u> The SWMS Division enforces the warranty obligations of its capital Contractors. Typically in the past, anticipating and tracking warranty milestones has been accomplished by recording the information on a spreadsheet (see attached "2019-01-08 Warranty Milestones.pdf") which is updated quarterly.</p> <p>In addition to following and enforcing the provisions of each capital construction Contract, SWMS' Project Managers also make use of ECS' Capital Works Procedures Manual (Section 8.6) as a guide for monitoring and enforcing Contractor's warranty obligations. The content of various sections of the Capital Works Procedures Manual are periodically reviewed and refreshed with the Project Managers of SWMS' Capital Delivery Unit as a staff training and development activity in regular staff meetings.</p> <p>In addition to the above, for those capital projects which are managed by the SWMS Division, going forward PTP will be used for automated tracking and notification of warranty milestones. It has been confirmed that multiple warranty milestone dates may be entered into PTP. Data entry of</p>

No.	Recommendation	Management Comments
		<p>SWMS' capital projects warranty milestone dates into PTP is underway and will be completed by May 1, 2019.</p> <p>SWMS staff will continue to use the above referenced spreadsheet and update the information quarterly, as a longer-view supplement to PTP's automated warranty tracking function.</p> <p>On projects which ECS is managing for SWMS, we continue to rely on ECS to track and enforce capital Contractor's warranty obligations.</p> <p><u>Transportation Services Division:</u> The following actions are still in hand and are anticipated to be completed by end Q4 2019:</p> <ul style="list-style-type: none"> • Amend summary report to include inspection and deficiency information during the warranty period in line with other divisions and the Standardized PTP Warranty Report. The report will capture warranty, inspection and deficiency information. • Update TR-106 Form to ensure it clearly indicates the inspection performing date. • Update the Contract Administration and Inspection Manual to include the practice of conducting and documenting inspection during the warranty period. <p><u>Toronto Water Division:</u> Toronto Water will work on fully implementing the above noted Recommendation No. 3 by the end of Q4, 2019. Toronto Water will ensure all warranty dates and information is input and accurate.</p>

Division: City Manager's Office

Report Date: 06/11/2015

Report Title: Implementing an Integrated City-wide Risk Management Framework

No.	Recommendation	Management Comments
001	<p>City Council request the City Manager review options for managing risks on an integrated basis across the City and report back to Council on a work plan and timeline for implementation. The review to consider:</p> <p>a. an appropriate corporate Enterprise-wide Risk Management (ERM) policy and/or enterprise-wide framework for an integrated approach to managing risk across the City</p> <p>b. the appropriate resources, tools, and job aids to be made available to divisions, agencies, and corporations, to support a common and consistent understanding of risk management processes and practices</p> <p>c. the appropriate mechanisms for tracking and monitoring risks and to report on significant risks to City Council and/or appropriate committee of Council.</p>	<p>A strategy and high level implementation plan was developed based on discussions with other public sector organizations at the municipal, provincial and federal levels. This was presented to and received support from Enterprise Risk Assurance Committee (ERAC) at its meeting on October 9, 2018 and approval to proceed with the ERM initiative.</p> <p>Given that the project will take 3 to 5 years to implement, ERAC identified the need for detailed milestones, deliverables and performance measures to demonstrate progress. ERAC members also highlighted that ERM is a significant undertaking, requiring substantial resources to ensure success. The project needs to be properly resourced, including dedicated resources and potentially external expertise.</p> <p>Next Steps</p> <ul style="list-style-type: none">• Prepare a detailed implementation plan with milestones and deliverables for Senior Leadership Team approval.• Determine level of resources required and gaps within current resources. Develop a plan to resource identified gaps. <p>New: An update on ERM was provided at the Enterprise Risk Assurance Committee (ERAC) meeting on March 20, 2019. At that meeting, a draft ERM dashboard was presented. It was agreed at the next meeting of the ERAC, schedule for June 13, 2019, we would provide updates on next steps including the development of an ERM Policy (end of 2019); Building Capacity (develop tools, training and facilitating workshops (end of 2020); Roll out of Risk Assessments at Divisional Level (end of 2020). On June 13, we will present a detailed plan for ERAC approval.</p>

Division: City Manager's Office
Report Date: 02/11/2015
Report Title: Service Efficiency Consultants Studies - Extent of Value for Money From Studies Has Not been Clearly Demonstrated (Including previous Auditor General's Report)

No.	Recommendation	Management Comments
001	City Council request the City Manager, in consultation with the Director, Purchasing and Materials Management, to expedite the development and implementation of a formal consultant performance evaluation process. The consultant evaluation should include both qualitative and quantitative performance measures that help evaluate the quality and practicality of deliverables, the efficiency of the consultant in managing time and resources, and the cost of work in relation to the benefits received, ensuring that any such measures align with the scope of work.	A draft Management Consultant Performance Evaluation Tool and associated training has been developed. However, it has not been rolled out to the organization as yet. In addition, an engineering consultant performance evaluation tool has been developed. PMMD is working on implementing a module in SAP Ariba that will assist in the centralization of all vendor performance information. Timeline for rollout and implementation is Q2 of 2019.

Division: People, Equity & Human Rights
Report Date: 05/01/2015
Report Title: Improving the Administration of City Training Programs

No.	Recommendation	Management Comments
001	City Council request the City Manager to ensure that Divisional Service plans include training plans which address compliance requirements, Corporate priorities and Talent Blueprint objectives. Divisions will share their plans with Human Resources Division to develop an overall Corporate Training Plan.	<p>Human Resources has drafted a Learning and Development Guideline to promote development planning across divisions. Consultations on the guideline are taking place and the final guideline will be shared with divisions thereafter.</p> <p>In parallel, Human Resources is implementing a strategy to enable staff to assess their competencies and create a development plan in the City's learning management system. Learning needs communicated through development plans in the learning management system will inform corporate learning offerings.</p> <p>Target Completion – Q4, 2019</p>
006	City Council request the Executive Director, Human Resources in consultation with City Divisions to formalize a City-wide needs assessment process to identify gaps between actual and required core competencies for employees.	<p>Human Resources is implementing a strategy to enable staff to assess their competencies in the City's learning management system and close gaps through corporate learning offerings.</p> <p>Target Completion – Q4, 2019</p>

Division: People, Equity & Human Rights
Report Date: 10/07/2015
Report Title: Maximizing Value from a Learning Management System

No.	Recommendation	Management Comments
004	City Council request the Executive Director, Human Resources and the Chief Information Officer to ensure total project costs reported at the end of the Enterprise eLearning Initiative identify and include all planning costs for the project.	<p>The Chief Information Officer and the Executive Director, Human Resources will ensure the project manager calculates total project costs captured to the end of the ELI project. It will identify and include all planning costs for the enterprise learning management system. Final project costs will be posted by the end of December, 2018 and provided in the end of January, 2019. This will be done during the project close out period.</p> <p>Completion timeline: Q1, 2019</p>

Division: People, Equity & Human Rights
Report Date: 06/11/2014
Report Title: Opportunities to Enhance the Oversight of Non-Union Employee Separation costs

No.	Recommendation	Management Comments
006	City Council request the City Manager, in consultation with the Executive Director, Human Resources Division and the City Solicitor, to conduct a formal review of the City's Separation Program on a periodic basis, to ensure that the program remains fair and consistent with the practices of other municipalities and organizations, employment legislation and common law practices. All revisions should be reflected in the Separation Program and Strategies manual accordingly.	The formal review is expected to be completed Q1, 2019.

Division: People, Equity & Human Rights
Report Date: 10/13/2016
Report Title: Strengthening Enforcement of the Fair Wage Policy

No.	Recommendation	Management Comments
002	<p>City Council request the Director, Purchasing and Materials Management Division, in consultation with the Manager, Fair Wage Office, to consider enhancements to current contract management procedures such that:</p> <p>a. Guidance is provided on the need for collaboration and timely communication to the Fair Wage Office of any contract issues that could present fair wage implications;</p>	This concern will be addressed in Q4 2019 with the development of a communication loop between PMMD's Chief Purchasing Officer's Office and City Division Heads. The communique will include information about the Fair Wage Policy requirements including the requirement for Project Managers to post the Fair Wage Policy at all jobsites.

No.	Recommendation	Management Comments
	<p>b. A process be implemented to increase divisional contract management staff's awareness of the fair wage requirements that reinforces collaboration with the Fair Wage Office.</p>	
003	<p>City Council request the Manager, Fair Wage Office, to implement processes to ensure that:</p> <p>a. All back-wages are accurately calculated;</p> <p>b. Fair Wage Office staff be required to retain sufficient documented evidence to support the basis of all back-wage calculations;</p> <p>c. A secondary review be conducted to ensure back-wage calculations are accurate;</p> <p>d. The Manual of Office Procedures be updated to reflect all process improvements and compliance with these procedures be monitored on an ongoing basis.</p>	<p>Bolstered the language in the Manual of Office Procedures as follows:</p> <p>The Manager of the Fair Wage Office will evaluate the self-audit and the review conducted by the Fair Wage Office to have material differences addressed. With the intent to ensure that the Fair Wage Policy's objective to balance organized labour and unorganized labour is kept in mind and to make whole the entitlements of the worker. Effective June 2019 the Fair Wage Office will report into PMMD and plans are currently underway to automate processes. Recent updates to the Manual of Office Procedures also include language to ensure sufficient documentation in every review to substantiate Fair Wage Office decisions.</p>
004	<p>City Council request the Manager, Fair Wage Office, to implement processes that ensure adequate evaluation of multiple violations in accordance with the Fair Wage Policy and internal Office guidelines; such analysis to be documented and retained in the investigation files, and recommendations for disqualification be reported in a timely manner.</p>	<p>The current manager of the Fair Wage Office has been in place for 9 months and on a go-forward basis all files are signed off before closing. The singular document (the FWO log) containing violations from the previous 14 years has been provided and the Investigation Checklist has been updated to ensure the FWO reviews the history before closing the file. Completion and implementation anticipated Q1 2020</p>
006	<p>City Council request the City Solicitor, in consultation with the Manager, Fair Wage Office, to review the current penalty provisions to ensure that they are effective in deterring vendors from breaching the Fair Wage Policy.</p>	<p>The discussion to have penalty provisions intensified (from 15% to 20%) as a deterrent for non-compliant vendors is ongoing and has been added to the 2019 FWO plan. The plan to have this actioned will be in consultation with Legal Services and the PMMD's Chief Purchasing Officer to ensure a comprehensive application of this proposed change is put into motion. Effective June 2019 the FWO Manager will report directly to the PMMD Chief Purchasing Officer which will significantly facilitate this plan.</p>
008	<p>City Council request the Manager, Fair Wage Office, to systematically track complaints received by the Office and the related complaint information through an intake system. In developing or acquiring the intake system, the Office should consider consulting the City's Accountability Offices to assess the</p>	<p>Effective January 2019 complaints received by the Fair Wage Office are recorded in the Fair Wage Information System (FWIS). Q1 2020 plans include uploading the full investigation file into FWIS.</p>

No.	Recommendation	Management Comments
	feasibility of leveraging the existing systems being used by these Offices.	
009	City Council request the Executive Director, Human Resources, subsequent to the implementation of a Fair Wage Office complaint tracking system, to review the work demands and resources allocated to fair wage complaint investigations and random reviews to ensure the Office can effectively carry out the responsibilities under Chapter 67 of the Toronto Municipal Code.	This review is not complete. A Senior HR Consultant was hired effective September 10, 2018 to complete a pilot project to assess feasibility of worker scheduling requirements in city contracts and will also assist with Labour Trade grievances. This, combined with the full implementation of the FWIS (complaint tracking system) will assist in making this determination. It is anticipated this review will commence at the end of the first quarter of 2020 at the end of the pilot project.
010	City Council request the City Manager, to forward this report and the Fair Wage Policy to the City's major agencies and clarify the applicability of the Policy requirements to these agencies.	This recommendation has not been completed. Discussions are under way with legal counsel to assess which City agencies the Fair Wage Policy would apply to. Completion and implementation anticipated Q1 2020
011	City Council request the Manager, Fair Wage Office, to forward its Council approved Annual Reports and vendor disqualification information to the City's major agencies.	The office will continue its work on assessing application of the Fair Wage Policy by the City's agency and corporations. A plan to communicate with the agencies and corporations will be developed upon finalizing the application of the Fair Wage Policy. Completion and implementation anticipated Q1 2020
012	City Council request the Manager, Fair Wage Office, to review and update its Manual of Office Procedures to ensure the level of documentation by the Fair Wage Office is sufficient to hold the Office accountable for its decisions and actions. Updated documentation requirements should be implemented in all investigation files.	The documentation provisions of the Manual of Office Procedures have been updated and a summary of the activities undertaken during an investigation have been included in the investigation file. The current Manager of the Fair Wage Office has been in place for 9 months and on a go-forward the requirement for all files to include a summary before closing is implemented. Completion and implementation anticipated Q1 2020.

PUBLIC RECOMMENDATIONS – NO LONGER APPLICABLE

Division: People, Equity & Human Rights

Report Date: 10/07/2015

Report Title: Maximizing Value from a Learning Management System

No.	Recommendation	Management Comments
003	City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure actual and estimated project costs related to the development, implementation and sustainment of the Learning Management System are included in updates to the business case.	Estimated project costs, related to the development, implementation and sustainment of the Learning Management System have been updated. In addition, and also included, are the supplementary sustainment costs, such as estimated license fees and resources to support the application. Project actuals are not included in the business case as the business case is static. The project actuals, along with all approved project changes, will be provided in Audit Recommendation #4 at project close out in 2019.