

**FORENSIC UNIT – PUBLIC RECOMMENDATIONS TO CITY DIVISIONS**

**A. Fully Implemented Recommendations**

**Division:** Solid Waste Management Services  
**Report Date:** 10/12/2017  
**Report Title:** Auditor General's Observations on the Quantity of Product Realized from the City's Single Stream Recyclable Material (Blue Bin) Program

No.	Recommendation
001	City Council request the General Manager, Solid Waste Management Services, to provide sufficient information in offers to purchase the City's processed recyclable products to ensure neither the incumbent purchaser nor the operator of the Material Recovery Facility have an advantage over other potential purchasers.
002	City Council request the General Manager, Solid Waste Management Services, to rotate City staff assigned to the Material Recovery Facility to the extent feasible.
003	City Council request the General Manager, Solid Waste Management Services, to reinforce with City staff assigned to the Material Recovery Facility that they are to bring any issues or concerns about the Material Recovery Facility or the contracted operator/owner of the Facility to their managers.

\*High priority outstanding recommendations

^Recommendations remain outstanding for longer than five years

## B. Not Fully Implemented Recommendations

**Division:** Pension, Payroll & Employee Benefits

**Report Date:** 06/12/2012

**Report Title:** Improving Reporting and Monitoring of Employee Benefits (Manulife)

No.	Recommendation	Management Comments
002 <sup>^</sup>	City Council request the Director Pension Payroll and Employee Benefits, give consideration to the formal documentation of an annual evaluation of the benefit administrator performance as it relates to prevention, detection and investigation of benefit fraud including fraud related to the receipt of Long Term Disability benefits.	The Director Pension, Payroll and Employee Benefits engaged an external consultant to formally document the annual evaluation of the benefit administrator performance as it relates to prevention, detection and investigation of benefit fraud including fraud related to the receipt of Long Term disability benefits. The final report will be available by Q4 2019.

**Division:** Toronto Building

**Report Date:** 03/10/2017

**Report Title:** Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts

No.	Recommendation	Management Comments
001	<p>City Council request the Chief Building Official and Executive Director, Toronto Building to review the current refund process, Integrated Business Management System controls, and undertake the necessary steps to minimize the risk of misappropriation of refunds, such steps should include but not be limited to:</p> <p>a. ensuring adequate segregation of payer record modification and refund initiation privileges granted to staff processing and authorizing refunds;</p> <p>b. ensuring that modification of the payer record are appropriately monitored, supported and authorized to prevent unauthorized changes; and</p>	<p>The Chief Building Official and Executive Director completed a review of the current refund process, current IBMS controls and implemented steps to minimize the risk of misappropriation of refunds.</p> <p>The existing IBMS Access Form was modified to include provisions to segregate access rights by role and to restrict the void access function to only managers. Amendments were included to require the Supervisor's or the Manager's approval of all refunds. In addition, adjustments to the existing access to the "void function" were undertaken and revisions to the Division's Cash Handling Procedures were amended accordingly.</p> <p>The Division's Cash Handling Procedures are currently being amended to include the above changes. The sections in the procedural document on "Segregation of duties" and "Processing of Refunds" are also being amended. Toronto Building is working with Policy, Planning, Finance and Administration to complete and approve the amendments for implementation of the revised Cash Handling Procedures in Q3-2019.</p>

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No.	Recommendation	Management Comments
	c. developing refund authorizing limits for various level of staff in accordance with the City's Financial Signing Authority Schedule.	
002	City Council request the Chief Building Official and Executive Director, Toronto Building to design and implement additional measures to strengthen the control over the handling of non-routine transactions. The periodic user access review to ensure continuous appropriateness of Integrated Business Management System access privileges should be conducted according to the Toronto Building procedural requirements.	<p>A complete review of user access rights and privileges of the Integrated Business Management System (IBMS) was undertaken by the Division and completed in Q3-2017. This resulted in access being removed from 33 IBMS users. The finalized list of users with access to be removed was sent to the IBMS Support Team in Information and Technology. In Q3-2017, the financial functions were also removed from users who did not require them as part of their role.</p> <p>A periodic user access review has been established by the Division on a biannual basis. The next review is under way and will be completed by Q3-2019. With the completion of this review cycle, this recommendation will be fully implemented.</p>
003	City Council request the Chief Building Official and Executive Director, Toronto Building to develop and implement controls relating to super users' access to Integrated Business Management System to ensure system security.	The review of the user access rights and privileges of IBMS users provided information and data that can be utilized to implement controls relating to super users' access rights. The Division is undertaking the development of a formal policy and procedure with respect to granting user rights to all IBMS super users. Anticipated to be completed by Q3-2019.
004	<p>City Council request the Chief Building Official and Executive Director, Toronto Building to review the current overpayment review process and undertake the necessary steps to ensure its appropriate handling, such steps should include but not be limited to:</p> <p>a. implementing a periodic review of overpayment accounts to ensure either prompt refunds or error corrections;</p> <p>b. considering a one-time recognition of small long-outstanding overpayments as revenue to aid the proposed future periodic review; and</p> <p>c. seeking a legal interpretation regarding the applicability of the "Minimum Permit Payment" to ensure consistent implementation of Municipal</p>	The Division is currently undertaking a review to determine ways to provide recognition of small long-outstanding overpayments residing in IBMS. A reporting tool is in development that will assist with this review. Once the review and reporting tool are completed, a policy will be developed to require that a prompt refunding and error correction process are followed. Anticipated date of completion: Q4-2019.

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No.	Recommendation	Management Comments
	Code Chapter 363-6, Fees, Refunds	
005	City Council request the Chief Building Official and Executive Director, Toronto Building to review the current payment methods and explore ways to minimize credit card processing fees. Considerations should be given to reducing the maximum threshold amount for credit card payment and exploring other low-cost online payment methods on its web-based business portal.	The Chief Building Official and Executive Director has undertaken a full review of the current payment methods and considered ways to minimize credit card processing fees. As a result of the review, the Division has completed the development of a new on-line Web App to process credit card transactions. The Division is working with Information and Technology to develop a similar process for debit card transactions. Anticipated date of completion: Q4-2019
006	City Council request the Treasurer to review the current payment methods used by various divisions and explore ways that can reduce credit card processing fees without negatively impacting customer services.	The Treasurer is reviewing the current payment methods used by various divisions and is considering ways to reduce credit card processing fees. Toronto Building will be engaged by the Treasurer as the review progresses. Anticipated date of completion: Q4-2019

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### C. Not Applicable Recommendations

**Division:** Solid Waste Management Services

**Report Date:** 10/12/2017

**Report Title:** Auditor General's Observations on the Quantity of Product Realized from the City's Single Stream Recyclable Material (Blue Bin) Program

No.	Recommendation	Management Comments
004	City Council request the General Manager, Solid Waste Management Services, enhance oversight at the Material Recovery Facility by: <ul style="list-style-type: none"> <li>a. reviewing month-end inventories of recycled product; and</li> <li>b. periodically reconciling, by weight, the City material sorted at the facility and shipped to City purchasers.</li> </ul>	4a) It is not feasible to conduct month-end inventory count of recycled product as the bales are stored in one area and mixed with non-City materials on the tipping floor.  4b) It is not possible to reconcile City material sorted and shipped as the materials are mixed in with non-City materials, and the numbers of bales produced for the City on the Monthly Summary Production Reports are estimates only and cannot be verified.

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## D. Deferred Recommendations

**Division:** Toronto Building

**Report Date:** 10/20/2017

**Report Title:** Toronto Building Division: Conditional Permits

No.	Recommendation
001	City Council request the Chief Building Official & Executive Director, Toronto Building Division to review and finalize draft conditional permit issuance criteria/guidelines.
002*	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to strengthen controls to ensure that all requirements, including Zoning By-Law, Building Code Act, and Toronto Building conditional permit issuance criteria, are met prior to the issuance of a conditional permit.
003	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to implement a quality assurance and compliance process to ensure conditional building permits issued meet regulatory and divisional requirements.
004	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to amend the Conditional Permit Policy to require that all conditions relating to a conditional permit be included in the formal agreement supporting the conditional permit and ensure that staff adhere to this requirement.
005	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to ensure that the impact of any development related demolition permits are considered prior to issuing a conditional permit.
006	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to amend the Conditional Permits Policy to: <ul style="list-style-type: none"> <li>a. include requirements for the retention of appropriate documentation in support of decisions related to the issuance of Conditional Permits</li> <li>b. ensure management scrutiny and approval of significant deviations from policy and standard practice are documented</li> <li>c. include guidelines to assist staff in making assessments of claims of unreasonable delays in construction</li> </ul>
007	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to document the steps taken to obtain reasonable assurance that Conditional Permit applicants' assertions of unreasonable delays in construction are valid before approving the conditional permit application.
008	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to examine alternatives to mitigate the risks caused by the volume of conditional permit applications submitted immediately prior to a development charge increase.
009	City Council request the Chief Building Official & Executive Director, Toronto Building Division to periodically report to Council providing information as to timing of conditional permits relative to changes in development charges, extent, and impact of conditional permits issued.
010	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to ensure building permit applicants are treated fairly and consistently by either: <ul style="list-style-type: none"> <li>a. instructing staff to stop inviting conditional permit applications, or</li> <li>b. providing all applicants with building permit applications in process that will be subject to development charges with information regarding applying for a conditional permit prior to a development charge increase.</li> </ul>
011	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to ensure performance planning objectives for individual employees contribute to the overall efficiency and regulatory compliance of the City

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## Attachment 1

<b>No.</b>	<b>Recommendation</b>
012	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to ensure staff are aware and trained in appropriate divisional objectives that should guide their day-to-day activities and decisions.
013	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to review permit monitoring and enforcement practices and undertake any changes necessary to adequately monitor Conditional Permits.
014	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to explore opportunities to enhance the use of technology in the inspection process in an effort to gain both efficiency and effectiveness.
015	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to explore opportunities to enhance the use of technology in the inspection process in an effort to gain both efficiency and effectiveness.
016	City Council request the Chief Building Official & Executive Director, Toronto Building Division to review, in consultation with the City Solicitor, the General Manager, Parks, Forestry & Recreation Division, and other appropriate City Divisions, the provisions of the Municipal Code related to the collection of Parkland Levies and propose any changes necessary.
017	City Council request the Chief Building Official & Executive Director, Toronto Building Division, to implement appropriate controls to ensure IBMS data cannot be overridden without appropriate authorization.

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