TORONTO

REPORT FOR ACTION

Status of Audit Recommendations for Parks, Forestry and Recreation

Date: February 1, 2022
To: Audit Committee
From: General Manager, Parks, Forestry and Recreation
Wards: All

SUMMARY

At its meeting on July 7, 2021, the Audit Committee requested the General Manager, Parks, Forestry and Recreation to report back to the Audit Committee with an update on the status of completed and uncompleted recommendations. This report provides updated management responses and explanations for delays in implementing recommendations related to the following Auditor General reports:

- Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services (2019)
- Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement (2018)
- Parks, Forestry and Recreation - Capital Program - The Backlog in Needed Repairs Continues to Grow (2009)

Recommendations from the Auditor General's Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit, brought to City Council in April 2021, were not included in the Auditor General's July 7 update on outstanding recommendations and therefore are not in scope of the Audit Committee's request.

Parks, Forestry and Recreation (PFR) continues to make significant progress on implementing recommendations. While a number of recommendations have been fully implemented, others are not fully implemented but significant progress has been made and full implementation is dependent on the completion of cross-divisional technology solutions and policies, approved staffing complement, and continued monitoring to demonstrate effectiveness.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation recommends that:

1. The Audit Committee receive this report for information.

FINANCIAL IMPACT

There are no financial impacts as a result of the recommendation in this report.

Any incremental costs and/or cost savings as a result of implementing the Auditor General's recommendations will be included in the 2022 and future budget submissions for Parks, Forestry and Recreation through the annual budget process.

The Chief Financial Officer and Treasurer has reviewed this report which has no financial implications and agrees with the information as presented in the Financial Impact section.

DECISION HISTORY

At its meeting on July 14, 15 and 16, 2021, City Council adopted a report from the Auditor General on "Auditor General's Status Report on Outstanding Recommendations" which provides City-wide status updates on fully implemented, not fully implemented, and no longer applicable audit recommendations.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.AU9.6

At the July 7, 2021 Audit Committee meeting, PFR presented its 90-day action update and first performance update report, as directed by the Audit Committee.
https://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-167068.pdf

At the May 5 and 6, 2021 City Council meeting, PFR presented its 60-day action update report, as directed by the Audit Committee.
https://www.toronto.ca/legdocs/mmis/2021/cc/bgrd/backgroundfile-166196.pdf

At the April 7 and 8, 2021 City Council meeting, PFR presented its 30-day action update report, as directed by the Audit Committee.
https://www.toronto.ca/legdocs/mmis/2021/cc/bgrd/backgroundfile-165385.pdf

At the February 16, 2021 Audit Committee meeting, the Auditor General tabled the report "Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit".
http://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-163322.pdf

On July 9, 2020, the City Solicitor and the General Manager, Parks, Forestry and Recreation reported to the Infrastructure and Environment Committee on PFR's review of work performed by tree maintenance Contractors and provided related legal advice. A supplementary report was presented when the matter was considered by City Council on July 28 and 29, 2020.
http://www.toronto.ca/legdocs/mmis/2020/cc/bgrd/backgroundfile-153676.pdf

On October 25, 2019, the Audit Committee considered a report from the General Manager, Parks, Forestry and Recreation outlining the division's progress in responding to the May 2019 Council direction.
http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-138849.pdf

At its meeting on May 14 and 15, 2019, City Council adopted the Auditor General's audit, "Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services", focused on tree planting and maintenance services.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU2.4

At its meeting on July 23, 24, 25, 26, 27 and 30, 2018, City Council adopted the Auditor General's report, "Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement", outlining recommendations to strengthen controls over permit issuance, collections, payments and deposit processes.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.10

At its meeting on October 26 and 27, 2009, City Council adopted the Auditor General's report, "Parks, Forestry and Recreation - Capital Program - The Backlog in Needed Repairs Continues to Grow", outlining recommendations to improve the management of the division's capital projects program, and develop a comprehensive master service and infrastructure plan.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.AU11.6

COMMENTS

Parks, Forestry and Recreation has received 27 recommendations related to the three audit investigations that are in scope for this report. Of those, PFR has designated 12 recommendations as fully implemented with nine of those being verified by the Auditor General. PFR currently has 15 recommendations that are not fully implemented, yet significant progress is underway. The current status of recommendations issued to PFR is summarized in Table 1.

Table 1: Current Status of PFR Recommendations Issued by the Auditor General

Audit Review	Fully Implemented (Verified)	Fully Implemented (Not Verified)	Not Fully Implemented	Total
Ensuring Value for Money for Tree Maintenance Services (2019)	2	2	6	10

Audit Review	Fully Implemented (Verified)	Fully Implemented (Not Verified)	Not Fully Implemented	Total
Permit Issuance and Tree By-law Enforcement (2018)	4	0	8	12
Capital Program - The Backlog in Needed Repairs Continues to Grow (2009)	3	1	1	5
Total	9	3	15	27

PFR continues to regularly update the Auditor General Office's internal TeamMate+ electronic reporting system on progress on outstanding recommendations.
Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services (2019)

In 2019, the Auditor General issued 10 recommendations to help Urban Forestry improve its contract management, customer service and operational efficiency for its tree planting and maintenance programs. Of the 10 recommendations informed by this review, PFR has fully implemented four, with two verified by the Auditor General. Staff continue to make progress on implementing the remaining six recommendations as outlined in Attachment 1.

Five of the in-progress recommendations are dependent on implementation of the Enterprise Work Management System (EWMS): IBM Maximo. IBM Maximo will integrate with existing City financial and geospatial systems and streamline work order management in several key areas. Notably, IBM Maximo will improve customer service and support, improve information and data collection for asset management, and improve processes related to financial analysis and reporting. PFR is one of four divisions involved in the preparation and rollout of this new system. It is anticipated that the initial launch of IBM Maximo will occur by Q3 2022 for Urban Forestry, with full implementation for this PFR branch in 2023.

Following a subsequent report from the Auditor General at the February 2021 Audit Committee meeting, Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit, PFR committed to and provided 30, 60 and 90 day action reports to the Audit Committee. These reports outlined progress updates to advance short and medium term deliverables related to implementing the recommendations of both the 2019 and the 2021 reports, and articulated the immediate improvements to tree maintenance crew oversight, enhanced contract management measures and operational productivity and efficiency. Recommendations from the Auditor General's 2021 follow-up report were not included the Auditor General's July 7 update on outstanding recommendations and therefore are not addressed in this report. However actions taken to date have been included through separate reports (as outlined in the Decision History) and are highlighted in the "Getting to the Root of the Issues – Second Performance Update of Urban Forestry Contractors and City Crews and Consolidated

Summary and Analysis of 2021 Forestry Operations Related Complaints" report being considered at this meeting.

Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement (2018)

In 2018, the Auditor General issued 12 recommendations to help strengthen controls over permit issuance, ensure correct collection of the required permit payments and deposits, ensure adequate actions are taken to address old and unclaimed deposits, and improve compliance with permit requirements. Of the 12 recommendations coming from this review, four have been fully implemented and verified by the Auditor General. Eight recommendations are not fully implemented, though significant progress is underway, including advancement toward implementing the five recommendations identified as High Priority by the Auditor General, outlined in Attachment 1.

PFR is working with other divisions to reach full implementation of the remaining eight recommendations. Key progress is underway including completion of corporate city-wide financial policies on deposit collection and categorization, 2022 budget approval for final phase of staffing resources, continued monitoring of new processes to measure effectiveness over time and the rollout of EWMS: IBM Maximo.

Capital Program - The Backlog in Needed Repairs Continues to Grow (2009)

In 2009, the Auditor General issued five recommendations to help improve how PFR manages its capital program and address issues related to the growing state of good repair backlog. Of the five, four have been fully implemented with three being verified by the Auditor General. One recommendation is considered in-progress and dependent on completion of EWMS: IBM Maximo.

A key area of concern in this investigation was the need for a comprehensive master service and infrastructure plan that would help inform and prioritize our long-term facility needs. In 2017, City Council adopted the Parks and Recreation Facilities Master Plan (Plan) which identifies the need to increase and improve how PFR invests in the state of good repair, revitalizes and replaces existing facilities, and develops new and enhanced facilities. The Plan has been informed by an evidence-based needs assessment that considered a wide range of inputs such as the location, age, condition and use of City facilities, demographic and recreation trends, current and anticipated development, and benchmarking against comparable municipalities.

PFR continues to advance all outstanding recommendations and monitor the effectiveness of those completed. These recommendations will help improve efficiency and effectiveness of service delivery and provide increased value for the City. As recommendations are implemented and new systems and processes are introduced to daily practices, PFR continues to engage with the Auditor General's Office to verify implementation of the recommendations, demonstrate the recommendations are achieving their intended outcomes and are contributing to the division's goals of continuous improvement.

CONTACT

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SIGNATURE

Janie Romoff
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ATTACHMENTS

Attachment 1 - Status of Audit Recommendations for Parks, Forestry and Recreation, Including Fully Implemented and Not Fully Implemented Audit Recommendations