

## **Auditor General's 2024 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations**

**Date:** June 21, 2024

**To:** Audit Committee

**From:** Auditor General

**Wards:** All

### **REASON FOR CONFIDENTIAL INFORMATION**

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The Attachment to this report involves the security of property of the City of Toronto or one of its agencies and corporations.

The Attachment to this report is about labour relations or employee negotiations.

The Attachment to this report is about criteria to be applied to any negotiations carried on or to be carried on by or on behalf of the City of Toronto or one of its agencies and corporations.

### **SUMMARY**

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The Auditor General follows up on her reports to review management actions taken to implement the recommendations and to ensure that intended benefits are being achieved.

At the beginning of this follow-up cycle in July 2023, management reported 294 recommendations as fully implemented or no longer applicable. We selected 128 across multiple City divisions and 63 Toronto Transit Commission (TTC) recommendations<sup>1</sup> to review in this follow-up cycle. The number of high priority recommendations included were 88 for the City and 44 for TTC. The assessments for the 191 recommendations concluded that 136 are fully implemented, 15 are no longer applicable, and 40 are not fully implemented.

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<sup>1</sup> Includes one management letter recommendation

Since 1999 to April 30, 2024, the Auditor General has verified 86 per cent of the 3,534 recommendations as fully implemented or no longer applicable.

The detailed results from this follow-up review are discussed in Attachment 1.

## **RECOMMENDATIONS**

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The Auditor General recommends that:

1. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains information that involves the security of property of the City of Toronto or one of its agencies and corporations, or the information is about labour relations or employee negotiations, or is about criteria to be applied to any negotiations carried on or to be carried on by or on behalf of the City of Toronto or one of its agencies and corporations.

## **FINANCIAL IMPACT**

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Please refer to the Section “Noteworthy Results” in Attachment 1 for details about savings from the current follow-up review.

The Auditor General reports on the financial and non-financial impacts realized by implementing the Auditor General's recommendations through her Annual Report to the Audit Committee and City Council.

For the year 2023, please refer to the “Auditor General's 2023 Annual Report - Demonstrating the Value of the Auditor General's Office” that was adopted by City Council at its March 20, 2024 meeting.

The total one-time and annually recurring savings projected over a five-year period realized in 2023 was over \$122 million; with a total cumulative estimated savings in our five most recent annual reports (from 2019 to 2023) totaling of over \$387 million. For every dollar invested in our Office, there was a return of approximately \$12. The report is available at:

[Auditor General's 2023 Annual Report - Demonstrating the Value of the Auditor General's Office](#)

Additional savings identified during this follow-up cycle that were not included in the 2023 Annual Report will be reflected in the Auditor General's 2024 Annual Report.

## **DECISION HISTORY**

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The follow-up process provides accountability and transparency for City Council and the public by reporting on the status of the implementation of the Auditor General's recommendations and the intended benefits. This process is important as it helps to

ensure that management has taken appropriate actions to implement the recommendations from previous Auditor General reports.

The follow-up review is part of the Auditor General’s annual work plans. The 2024 Audit Work Plan is available at:

[Auditor General's Office 2024 Work Plan and Budget Highlights](#)

The Auditor General reports to the City's Audit Committee on the implementation status of outstanding recommendations. The last follow-up report was tabled at the July 7, 2023 Audit Committee and is available at:

[Auditor General's June 2023 Status Report on Outstanding Recommendations](#)

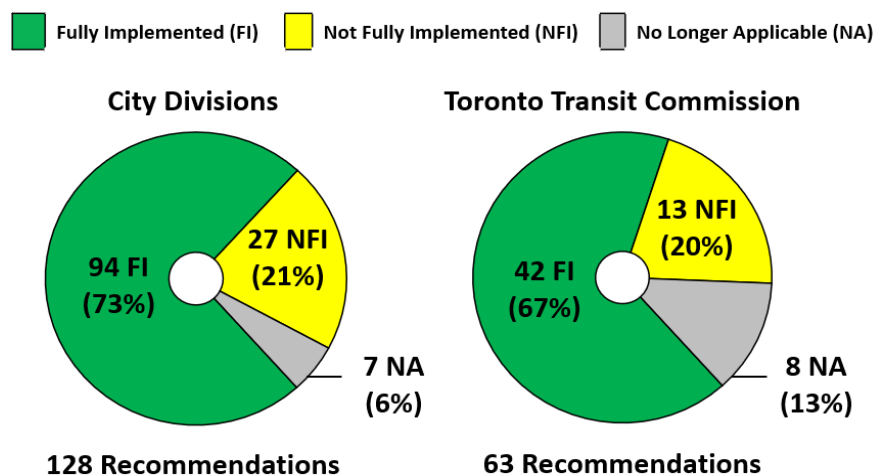
## COMMENTS

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This report provides a consolidated summary on the status of recommendations issued in Auditor General reports for City divisions, agencies and corporations. The focus of this report is on the results achieved from the management actions taken to implement the Auditor General’s recommendations.

This follow-up cycle started in July 2023 and the fieldwork ended in April 2024. In this follow-up cycle, we have reviewed the status of 191 recommendations reported by management as fully implemented or no longer applicable by various City Divisions and the Toronto Transit Commission. The assessment results for the recommendations reviewed in this follow-up cycle are summarized below in Figure 1.

Figure 1: Auditor General’s Assessment of Recommendations Reviewed



The results of the TTC follow-up review have been reported to the TTC Board at its June 20, 2024 meeting<sup>2</sup>, through a separate report. The report is available at:

[Toronto Transit Commission 2024 Follow-up – Status of Previous Auditor General’s Recommendations](#)

<sup>2</sup> TTC Board Meeting, June 20, 2024

The detailed results of this follow-up review are included in Attachments 1, 2, 3 and the Confidential Attachment 1.

The Auditor General's follow-up of outstanding recommendations does not constitute a performance audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). However, we perform sufficient work to validate management's assertions that recommendations are either fully implemented or no longer applicable.

We would like to express our appreciation for the co-operation and assistance we received from management and staff of the various Divisions, Agencies and Corporations across the City who assisted in completing this follow-up process.

## **CONTACT**

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## **SIGNATURE**

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Tara Anderson  
Auditor General

## **ATTACHMENTS**

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Attachment 1: Auditor General's 2024 Consolidated Follow-up Report - Status of Outstanding Recommendations for City Divisions, Agencies and Corporations

Attachment 2: City Division Recommendations Assessed by the Auditor General in 2024 Follow-Up Review

Attachment 3: Recommendations Reported by Management as Fully Implemented and Not Verified by the Auditor General as of April 30, 2024

Confidential Attachment 1: Confidential Material from Auditor General's 2024 Consolidated Follow-up Report - Status of Outstanding Recommendations for City Divisions, Agencies and Corporations