



Auditor General's 2024 Consolidated Follow-up Report

Status of Outstanding Recommendations for City Divisions, Agencies and Corporations

June 21, 2024

Tara Anderson, CPA, CA, CIA, BAcc
Auditor General

**AUDITOR
GENERAL**

TORONTO

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Executive Summary

Why the follow-up process matters

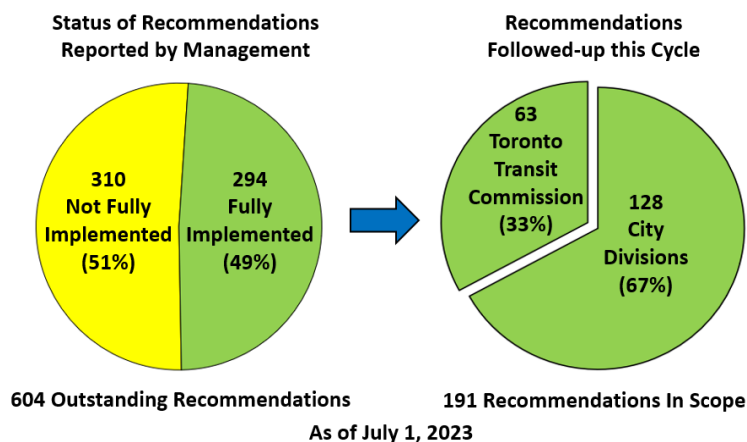
The Auditor General follows up on the status of implementation of outstanding recommendations from her audits, investigations, and other reports. The purpose is to verify that Auditor General recommendations have been fully implemented and that intended benefits have been achieved. The follow-up process provides accountability and transparency for City Council and the public, by reporting on the City's implementation of our recommendations. The Auditor General's follow-up process is described in further detail in Exhibit 4.

This report provides a consolidated summary of the status of recommendations issued by the Auditor General to City Divisions, Agencies and Corporations. The focus of this report is on the results of the recommendations selected by the Auditor General for review during the period from July 1, 2023 to April 30, 2024.

191 recommendations selected for this follow-up review

At the beginning of our review, there were 604 outstanding recommendations. Management reported 294 recommendations as fully implemented¹. Given the available resources at the Auditor General's Office, we selected 191 recommendations for review, as shown below in Figure 1. Our focus was on high priority recommendations. High priority recommendations are the ones which have significant potential for savings, mitigate health and safety risks, or have been outstanding for over five years.

Figure 1: Recommendations Reported as Fully Implemented and Selected for Review²



¹ These include a few (estimated at five per cent) that were reported by management as no longer applicable.

² Management letter recommendations are normally not included in the overall follow-up statistics, however, TTC's 63 recommendations include one management letter item due to significant savings.

Selected recommendations included a larger number of high priority recommendations

Of the 191 recommendations selected for review, 190 were from 38 Auditor General reports and one recommendation was from a management letter. The selected recommendations included a larger number of high priority recommendations that management reported as fully implemented. These reports mostly relate to the following business areas:

City Divisions:

- Pension, Payroll and Employee Benefits
- Purchasing and Materials Management
- Revenue Services
- Children's Services
- Court Services
- Toronto Building

Agencies and Corporations:

- Toronto Transit Commission (TTC)

101 recommendations across City divisions were closed in current follow-up

For City divisions, we selected 128 recommendations and assessed 94 as fully implemented (FI), seven as no longer applicable (total of 101 recommendations closed), and 27 as not fully implemented (NFI).

A list of the Auditor General's reports and the results of the assessment for recommendations reviewed in this follow-up cycle are provided in Exhibit 1. Each publicly reported recommendation assessed in this cycle for the City divisions is listed in Attachment 2 and the confidential recommendations and highlights are included in Confidential Attachment 1.

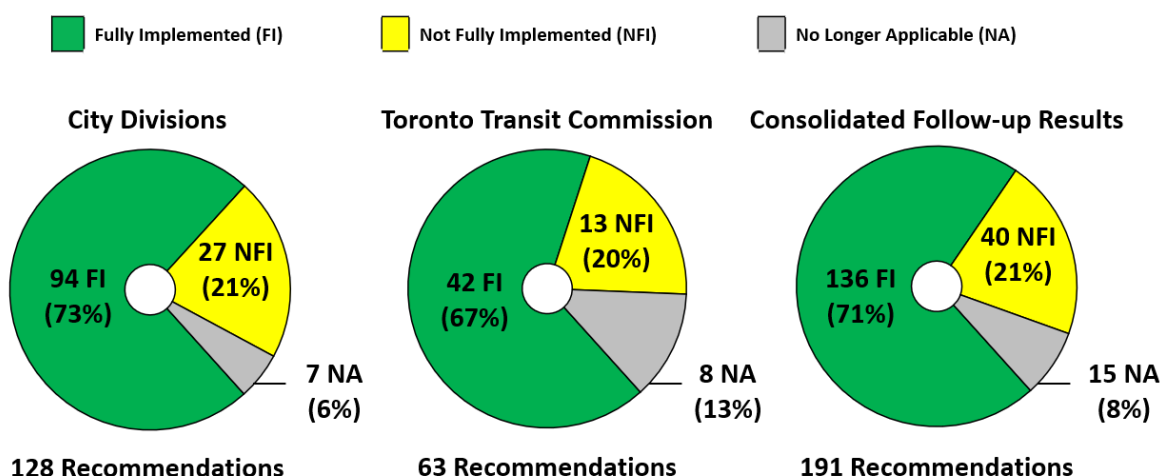
50 TTC recommendations were closed in current follow-up

For TTC, we reviewed 63 recommendations and assessed 42 as fully implemented, eight as no longer applicable (total of 50 recommendations closed), and 13 as not fully implemented. The results of the TTC follow-up review have been reported to the TTC Board in a separate report tabled at its June 20, 2024 meeting. The report is available at:

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

Figure 2 below summarizes the consolidated results of this follow-up cycle.

Figure 2: Assessment of Recommendations in Auditor General's 2024 Follow-up Review



Recommendations assessed as fully implemented or not applicable are closed in the follow-up system and are not included in the future follow-up reviews.

A recommendation reported by management as fully implemented will be assessed as not fully implemented by the Auditor General when actions or improvements by management do not fully address the intent of the recommendation, or management was not able to provide sufficient, appropriate evidence during the follow-up review.

However, it is important to note that management has made good progress on many of the recommendations that have a status of not fully implemented.

Benefits from Implementing the Auditor General's Recommendations

Benefits realized by implementing Auditor General's recommendations are reported annually

The financial and non-financial benefits realized by implementing the Auditor General's recommendations are reported through the Auditor General's Annual Reports. These annual reports demonstrate how our Office's work adds value to the City that results in quantifiable financial and non-quantifiable benefits.

For every dollar invested in the Auditor General's Office, there was a return of about \$12

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 over \$387 million. For every dollar invested in our Office, there was a return of approximately \$12. The Auditor General's 2023 Annual Report is available at:

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

Additional savings identified during 2024 follow-up reviews will be reflected in the Auditor General's 2024 Annual Report.

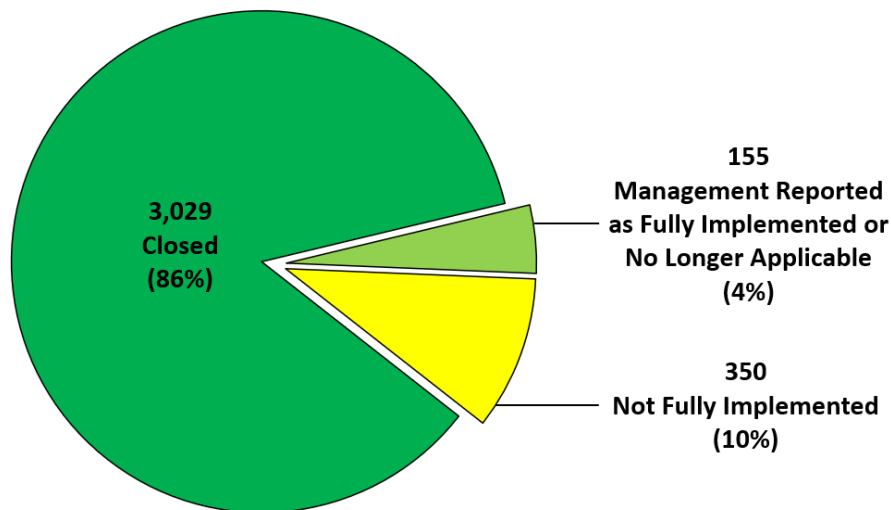
Overall City-wide Status of Auditor General Recommendations

86% of recommendations have been closed since 1999

Since 1999, the Auditor General has made 3,534 recommendations in over 400 reports. Of these, 3,029 recommendations were closed, indicating that 86 per cent of recommendations have been addressed by management. While management continues to make progress, the Auditor General has not yet verified all recommendations reported by management as fully implemented. Management has reported another four per cent of recommendations as fully implemented or are no longer applicable. This could further improve the implementation rate to 90 per cent once the implementation of these recommendations has been verified.

The Auditor General continues to focus on verifying the status of high-priority recommendations as resources permit. Figure 3 below illustrates the status as at April 30, 2024 of all the Auditor General recommendations issued since 1999, with the exception of recent reports issued during 2023 and 2024. A list of these reports is included at the end of Exhibit 2. The recent reports were not included in the current follow-up process and statistics to give management some time to fully implement the recommendations³. However, these will be included in future follow-up cycles.

Figure 3: Status of Auditor General Recommendations Since Inception (1999) as of April 30, 2024



³ Figure 3 and the overall statistics provided in the report do not include any recommendations from reports issued in 2023 and 2024 nor do they include any management letter recommendations.

Over 100 Auditor General reports with one or more recommendations remain outstanding as of April 30, 2024

At the end of this follow-up cycle, as of April 30, 2024, there are over 100 reports issued by the Auditor General that contain at least one or more outstanding recommendations still to be closed.

A detailed list of the reports and the status of related recommendations made to City divisions, agencies and corporations is provided in Exhibit 2.

Recommendations are considered outstanding when:

- a. they are assessed by the Auditor General as not fully implemented (NFI), or
- b. where management actions are still in progress, or
- c. where the Auditor General's Office has not yet had the opportunity to verify the status of recommendations reported by management as either fully implemented or no longer applicable.

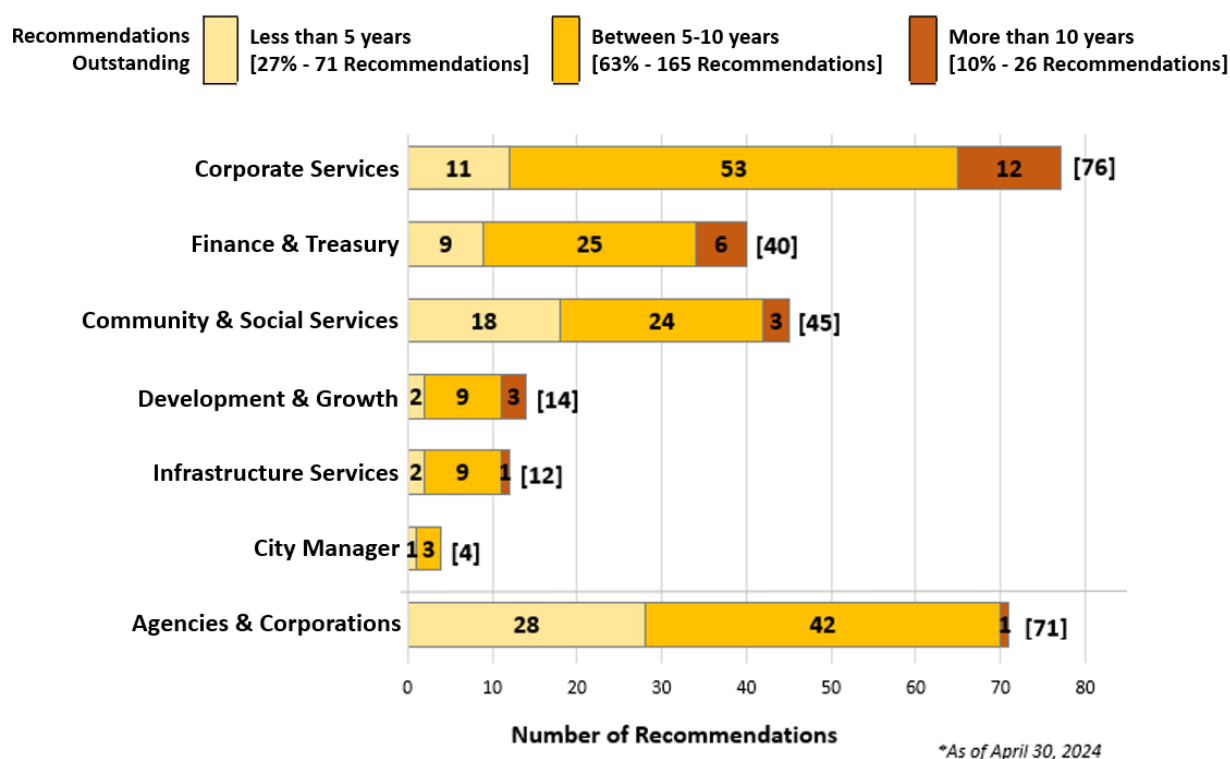
Management has reported 155 recommendations as fully implemented or no longer applicable; however, the Auditor General's Office has not yet had the opportunity to verify the status of these recommendations. These publicly reported recommendations are listed in Attachment 3 and confidential recommendations are listed in Confidential Attachment 1. These recommendations will be included in future follow-up cycles.

350 recommendations are not fully implemented, including 262 that are high priority

There are 350 not fully implemented recommendations where management continues working to address them. About three-quarters of these are considered high priority (262 recommendations) where management should expedite their implementation. High priority recommendations are the recommendations which have significant potential for savings, mitigate health and safety or other significant risks, or have been outstanding for over five years.

The benefits are realized sooner when management acts promptly to implement Auditor General recommendations. Exhibit 3 provides a summary of high priority not fully implemented recommendations for city divisions, agencies and corporations. An overview of the age of high priority recommendations that are not fully implemented as of April 30, 2024, is provided below in Figure 4.

Figure 4: Aging of High Priority Recommendations Not Fully Implemented



Some recommendations may require more time than others to implement

We acknowledge that some audit recommendations may require more time than others to implement. Management has made good progress in closing and addressing recommendations in many areas across the City, including agencies and corporations.

In our 2023 follow-up report⁴, we highlighted the challenges experienced by business areas to implement recommendations that require City-wide harmonization of policies, procedures, and practices. As illustrated in Figure 4, this continues to be an area requiring more action City wide for recommendations that relate to Corporate Services divisions, such as, Corporate Real Estate Management Division and Technology Services Division. In addition, a number of recommendations are dependent on the implementation of technology systems.

Thank you to management and staff for their assistance

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.

⁴ [Auditor General's June 2023 Status Report on Outstanding Recommendations](#)

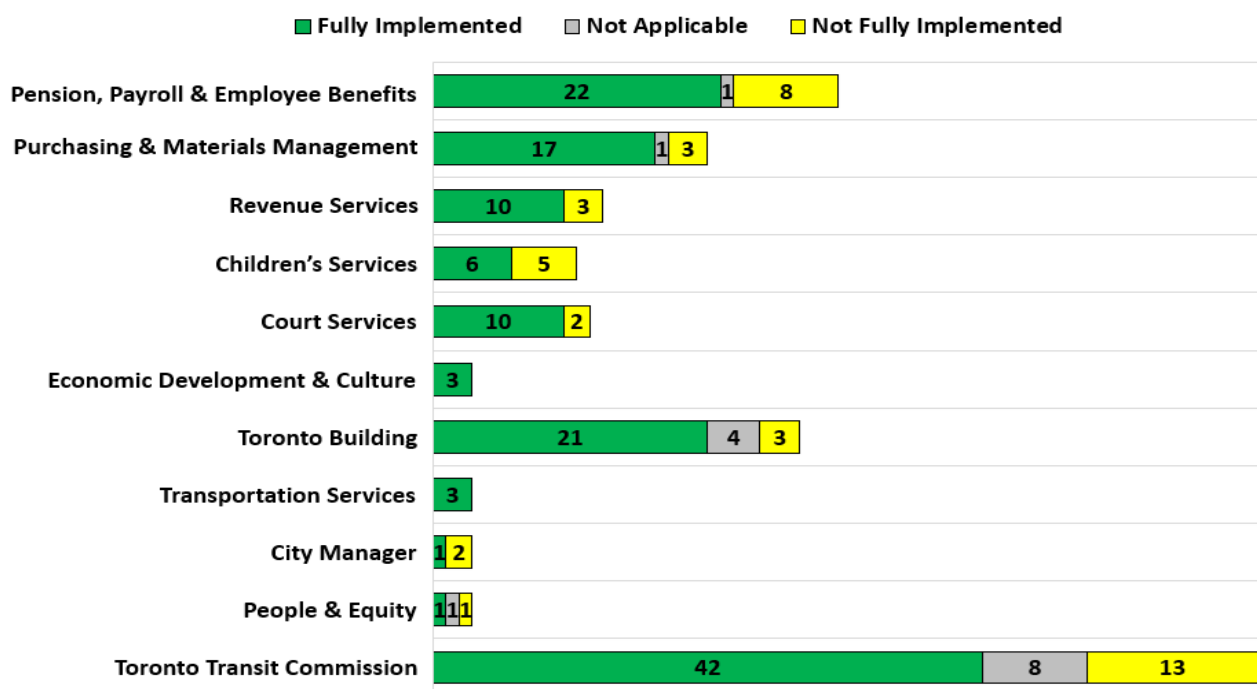
Results of the 2024 Follow-up Cycle

191 in-scope recommendations included 132 high priority recommendations

At the beginning of this follow-up cycle in July 2023, management reported 294 out of 604 outstanding recommendations as fully implemented⁵ (Figure 1). We selected 128 recommendations made to City divisions and 63 TTC recommendations to review in this follow-up cycle. Of these in-scope recommendations, 88 from City Divisions and 44 from TTC were high priority⁶.

The results of our assessments for each Division and the TTC are summarized below in Figure 5. The results for each audit report and recommendations included in this follow-up cycle are listed in Exhibit 1. Each publicly reported recommendation assessed in this cycle for City Divisions is listed in Attachment 2 and the confidential recommendations and highlights are included in Confidential Attachment 1.

Figure 5: Follow-up Results for Selected City Divisions and TTC



⁵ These include a few (estimated at five per cent) that were reported by management as no longer applicable.

⁶ Recommendations that have significant potential for savings, or mitigate health and safety or other significant risks, or have been outstanding for over five years are considered high priority.

A detailed analysis of benefits identified from follow-up work are included each year in the Auditor General's Annual report. Noteworthy results, including financial and non-financial benefits, identified during this follow-up process, as well as areas requiring further attention, are highlighted in the next section of this report.

Noteworthy Results

Finance and Treasury Services

Pension, Payroll and Employee Benefits

Management of the City's Employee Extended Health and Dental Benefits

Recommendations to improve the City's oversight of the plan administrator for health and drug benefits

In 2017, the Auditor General completed a multi-phased audit focused on the City's oversight of the plan administrator for health and drug benefits and made 42 recommendations. The reports are available at:

- [Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims, 2016](#)
- [Phase Two: Ineffective Controls and Plan Design Leaving the City Vulnerable to Potential Benefit Abuse, 2017](#)
- [Supplementary Report to the Auditor General's Phase One Report: "The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims," 2017](#)

From prior follow-up cycles, 34 out of the 42 recommendations were closed. In the current follow-up process, management reported the remaining eight recommendations as fully implemented. We assessed seven of these recommendations as fully implemented and one as not fully implemented.

One recommendation was deemed as not fully implemented⁷ required "... the Treasurer to undertake a review of the City's records of eligible individuals for health benefits coverage to ensure accurate and complete information in the City's system. A review of the health benefit claim histories should be conducted on individuals with questionable or missing dates of birth. Where claim reimbursements were made for ineligible individuals, steps should be initiated to recover overpayments."

⁷ Audit recommendation #15, Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims, 2016

	<p>This recommendation was assessed as not fully implemented because the Pension, Payroll and Employee Benefits (PPEB) Division has not completed the second part of the recommendation that relates to the recovery of overpayments for claim reimbursements for ineligible individuals.</p>
PPEB completed a dependent verification exercise in 2022	<p>In 2022, PPEB made progress on this recommendation by hiring an external consultant to conduct a review of members and their dependents (i.e., spouse and dependent children) covered by the City's extended health and dental benefits plans to ensure they continued to meet eligibility requirements.</p>
87% of dependents were verified as eligible for coverage	<p>Most of the members (92 per cent) covered by the City's extended health and dental benefits plans voluntarily participated in the 2022 dependent verification exercise, and in the end 87 per cent of all dependents were accepted as eligible. Further details related to this review are discussed in Confidential Attachment 1.</p> <p>PPEB intends to perform this review every four to six years to help ensure that only those who are entitled to City benefits are receiving them and that fraud and waste is prevented.</p>
Actions taken to improve detection and prevention of ineligible claims	<p>PPEB together with its plan administrator, has taken the following actions to improve the management of employee extended health and dental benefits:</p> <ul style="list-style-type: none"> • developed a guideline to handle and document exceptions for health and drug claims • developed controls to prevent reimbursing dispensing fees in excess of the maximum limits • engaged a third party to audit the City's benefits plan to review interpretations, beneficiaries, and system controls • retains documentation to support invoiced amounts • implemented tools to monitor and analyze unusual claim patterns.
\$2.27 million annually in avoided costs related to ineligible claims	<p>During this follow-up, we estimated that actions taken by PPEB in response to the Auditor General's recommendations have resulted in the City avoiding additional costs related to ineligible claims totalling at least \$2.27 million a year.</p>

Management of the City's Long-Term Disability Benefits

The Auditor General completed a review of the City's management of long-term disability (LTD) benefits which resulted in 31 recommendations across the following reports:

- [Management of the City's Long-Term Disability Benefits, Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits, 2015](#)
- [Management of the City's Long-Term Disability Benefits Phase Two: Interim Report on the Approval and Monitoring of Claims, 2016](#)
- [Management of the City's Long-Term Disability Benefits Phase Two: The Need for a Proactive and Holistic Approach to Managing Employee Health and Disability, 2016](#)

From prior follow-up cycles, 16 recommendations were closed.

During the current follow-up process, management reported 13 recommendations, across the three reports, as fully implemented and are continuing their action plans on two recommendations. We verified that eight of these audit recommendations have been fully implemented and five are not fully implemented.

Addressing the recommendations has improved how divisions proactively manage short-term disability absences

Collectively addressing these recommendations has improved how City divisions proactively manage short-term disability (STD) absences by assisting employees to successfully return to work.

Since the issuance of the audit reports listed above, the Pension, Payroll & Employee Benefits (PPEB) Division has taken action to address our recommendations. These actions included implementing more rigorous controls from the administrator, stronger oversight, and improved education, engagement, and standardization to contain LTD costs.

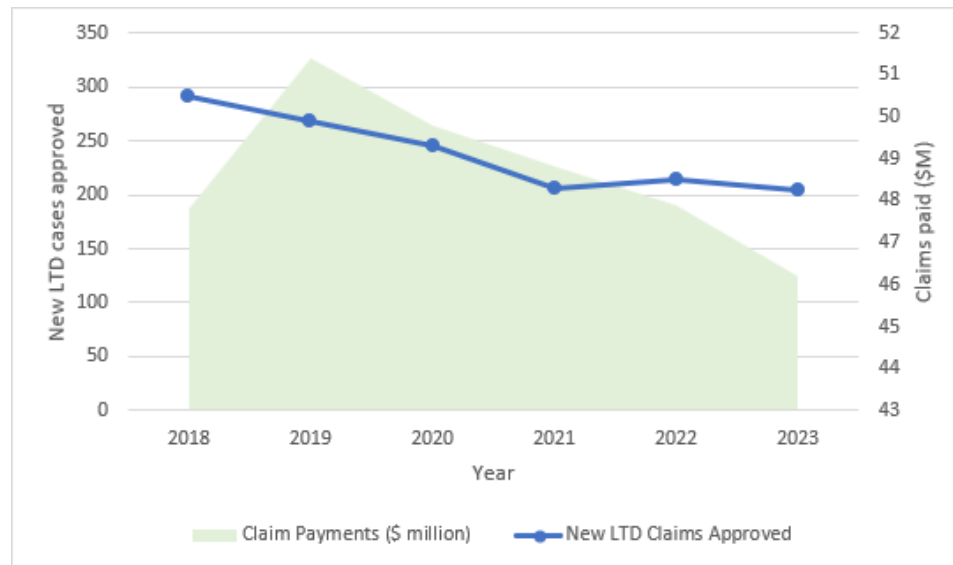
We noted the following improvements to City practices in helping employees to stay healthy and return to work:

- providing guides and training courses for managers
- providing employees with more support through early interventions and making accommodations
- additional resources for employee mental health and to promote wellness for employees who may benefit from these services.

These improvements have assisted employees who are on either STD or LTD leave and are ready to return to work, to successfully integrate back into the workplace.

Our analysis of PPEB data found that there has been a decrease of about 20 per cent in the number of new LTD cases from 2019 to 2023. Figure 6 illustrates an ongoing decreasing trend in active claims and payments in 2022 and 2023.

Figure 6: Long-term Disability Trends from 2018 to 2023



\$1.7 million in avoided costs by improving how LTD is managed

We estimate the City has avoided annual costs of approximately \$1.7 million, beyond the savings previously reported by the Auditor General in 2021⁸. We will continue to monitor this as part of our follow-up work.

Purchasing and Materials Management

Audit of Interface Invoice Payments: Improving Contract Management and Payment Processes, 2019

In 2019, the Auditor General completed an audit of the City's interface invoice payment process. The audit report included 20 recommendations to improve the effectiveness of the billing process and contract oversight. Two recommendations were previously closed and for this follow-up cycle 11 recommendations were reported by management as fully implemented. We concluded that eight of these recommendations have been fully implemented and three recommendations were assessed as not fully implemented and require additional work by management. The report is available at:

[Audit of Interface Invoice Payments: Improving Contract Management and Payment Processes, 2019](#)

⁸ [Auditor General's 2021 Annual Report](#) (pages 30-35)

One-time savings of nearly \$700,000 and recurring annual savings of \$255,000 achieved

The actions taken by management to address the audit recommendations have improved how bills are paid and have contributed to an estimated one-time savings of nearly \$700,000 and annual recurring savings of \$255,000.

The improvements and savings have resulted from collecting credits and volume rebates owed to the City from vendors. Recoveries were also made from duplicate payments and price differences from vendors. These are summarized below:

Table 1: One-Time and Recurring Savings Realized from Implementing Interface Billing Audit Recommendations

Description of Savings	One-Time Savings	Annual Recurring Savings Projected Over 5 Years	Total Savings
Obtaining credits for City-owned hydro transformers that were not received previously	\$61,000	\$255,000	\$316,000*
Collection of volume rebates after implementing the audit recommendation	\$491,000		\$491,000*
Recovery of duplicate payments identified during the audit	\$101,000		\$101,000*
Recoveries from auto parts supplier for price differences by implementing new review process	\$45,400		\$45,400
Total	\$698,400	\$255,000	\$953,400

*Savings reported in [Auditor General's 2023 Annual Report](#)

In addition to savings already reported in our annual report, the Fleet Services Division investigated incorrect payments due to price and quantity variances, and unpaid returns reported by the Auditor General and recovered a total amount of \$45,400. Fleet Services Division has implemented controls to prevent price and quantity variances in the future.

Revenue Services

Review of the City's Utility Billing and Collection

Audit of Water Billing and Collection – Phase I: Overdue Water Account Collections Require Strengthening, 2016

In 2015, the Auditor General's Office started a multi-phased audit to review the City's water billing and payment collection process. The report is available at:

[Audit of Water Billing and Collection – Phase I: Overdue Water Account Collections Require Strengthening, 2016](#)

The Phase I report focused on the collection of outstanding receivables for water services. Seven out of 19 recommendations were closed in prior years.

During this current follow-up cycle, Revenue Services Division reported 10 recommendations as fully implemented and two as in progress. We verified that eight of the audit recommendations have been addressed and two remain outstanding as not fully implemented.

Managing Customer Accounts with Credit Balances

Inactive accounts with credit balances

Credit balances in customer accounts arise due to billing adjustments, reversals, and overpayments, and represent a liability to the City. In our 2016 report, we identified approximately 34,000 inactive accounts that were older than two years with credit balances totaling \$7.5 million. The Auditor General recommended the City review inactive accounts with credit balances and evaluate whether these can be transferred to revenue.

\$14.7 million in credit balances transferred to suspense account to date

Revenue Services Division management has established a process to review credit balances on inactive accounts annually and, since our 2016 report, the Division has transferred \$14.7 million into the suspense account. No revenue has been recognized on the amounts held in suspense. Amounts transferred to the suspense account will be recognized as revenue after seven years. Any savings related to this recommendation will be reported when revenues are realized in the future.

Third Party Collection Agency Contracts Need to be Established

The Auditor General recommended⁹ that Revenue Services Division develop criteria for assignment of long overdue accounts to third-party collection services.

Auditor General recommended assignment of long overdue accounts to third-party collection services

Management advised that collection agency agreements were in place from 2016 to March 2021. Due to a lack of available supporting documents we could not verify if any outstanding accounts were transferred to collection agencies. Revenue Services Division is coordinating with other City Divisions to leverage existing third-party collection agency contracts. They anticipate that third party collection agency services for utility accounts will be in place by the end of 2024.

⁹ Recommendation #3, Audit of Water Billing and Collection – Phase I: Overdue Water Account Collections Require Strengthening, 2016

\$7.65 million outstanding over 300 days

Our review of the outstanding utility receivables as at January 31, 2024 shows that \$7.65 million is outstanding for over 300 days, this includes both active and inactive accounts and stresses the need for expedited follow-up for collection.

Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City’s Property Tax Revenue, 2016

The Phase II Part 1 report included a detailed assessment of controls over billing of water usage, adjustments and reversals of accounts, and related processes. Two out of five recommendations were closed in prior years.

During this current follow-up cycle, Revenue Services Division reported one recommendation as fully implemented. We verified that this audit recommendation has been addressed. Two remaining recommendations from this report are still in progress. The report is available at:

[Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City’s Property Tax Revenue, 2016](#)

Enhanced Monitoring of Properties Coded as Vacant Land

At the time of the audit, the Auditor General noted several properties with building permits that were closed three or more years before the audit, that were still classified as vacant land. Property classifications were not updated with completed or closed building permits, resulting in undervalued property assessments and hence a reduced amount of property taxes.

63 properties with completed construction coded as vacant land were communicated to MPAC for omitted tax assessments

We verified that Revenue Services Division has fully implemented the Auditor General’s recommendation to monitor and track the status of vacant land properties. For example, in 2023, the Division has identified 63 properties with completed construction that were coded as vacant land in Municipal Property Assessment Corporation (MPAC) records and has communicated these properties to MPAC for supplementary or omitted tax assessments.

Incremental property tax revenue to be assessed

We will assess the incremental tax revenue from actions taken by the Revenue Services Division at the end of 2024.

Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes, 2015

PILTs – Payments in Lieu of Taxes - are voluntary payments based on requested amounts

In 2015, the Auditor General completed an audit of the efficiency and effectiveness of billing and collection of 'Payments in Lieu of Taxes' (PILTs). PILTs are applicable to properties owned by other levels of governments. The audit recommended strengthening controls in PILT billing and collection of outstanding payments.

The audit report is available at:

[Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes, 2015](#)

Thirteen out of 15 recommendations were closed in prior years. During this current follow-up cycle, Revenue Services Division reported two recommendations as fully implemented. We verified that one audit recommendation has been addressed, and one recommendation was determined as not fully implemented.

Revenue Services Division has finalized an internal PILT billing policy, and the processes to strengthen its monitoring and review of PILT billing and collection. Since the audit, Revenues Services has also initiated reporting of outstanding PILT account balances to City Council.

Improved PILTs Collection Rate

With the improved process and management efforts, the overall PILT collection rate has improved. As PILT collection for the tax year 2023 is still ongoing, we will continue to review the revenue collected and details will be reported in future Auditor General annual reports.

In our follow-up review, we also noted that Revenue Services Division is also developing a process and criteria to pursue supplementary payments (payments in lieu of interest) in cases where PILT payments are long overdue. Currently, the Division does not collect any supplementary payments. The Auditor General will report on collections made after the criteria and process is implemented by the Division.

Community and Social Services

Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds, 2018

Our 2018 audit identified a number of opportunities to achieve greater value from government funding for the child care sector. The audit included 20 recommendations and nine were closed in prior follow-up cycles. Management reported 11 recommendations as fully implemented in this follow-up cycle. We have verified that six of these are fully implemented and five are not fully implemented. The original report is available at:

[Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds, 2018](#)

5 recommendations assessed as not fully implemented

The five recommendations that remain to be fully addressed relate to ensuring fee subsidies are provided to eligible applicants, recovering subsidies provided to those who were not eligible, avoiding costs of improper payments and improving coordination to achieve efficiencies across the City administered income-based assistance programs.

Multiple audits since 2012, including the 2018 Children's Services audit, have highlighted the need to further improve and expedite the coordination and streamlining of services provided by the City's income-based assistance programs.

These audits identified duplication of efforts across Children's Services Division, Toronto Employment and Social Services Division and the Housing Secretariat¹⁰ related to verifying eligibility for income-based benefit and subsidy programs. To improve operational efficiency and customer service, the Auditor General recommended:

- centralizing collection of client documents and income verification and eligibility assessment
- establishing a centralized function to assess, verify and investigate income eligibility issues including fraud

¹⁰ The report was originally issued to Shelters, Support and Housing Administration and is now under the Housing Secretariat.

The Human Services Integration (HSI) business unit was established in 2020. The approved gross operating budget for the unit in 2024 was \$9.2 million. To date, HSI has been working on implementing:

- a single integrated Application and Support Centre for access and intake of applications for child care, housing and income subsidy programs
- a new client relationship management system
- fair pass transit discount program
- a universal form with consent to confirm eligibility across programs

Divisions continue with separate eligibility and income verification processes as well as investigation functions

Eligibility and income verification processes as well as investigation functions for the various income-based assistance programs have not been integrated and continue to be performed separately by Children's Services Division, Toronto Employment and Social Services Division, and the Housing Secretariat.

Employment and Social Services

Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit, 2019

This audit report was not in scope for this follow-up cycle, however the Auditor General continued to monitor the recovery action on social assistance overpayments.

Files reviewed by Employment and Social Services identified \$500,000 in overpayments

The [Auditor General's June 2023 Status Report on Outstanding Recommendations](#) highlighted that Employment and Social Services investigated over 5,000 files referred by the Auditor General and identified over \$500,000 in social assistance overpayments to recipients of rent-geared-to-income. Seven of the 180 overpayment files were referred to law enforcement for further action.

Preventing overpayments and recovering over \$180,000 in subsidy funds

The investigations into issues of eligibility identified overpayments and prevented further overpayment of benefits. As of March 31, 2024, Employment and Social Services has recovered over \$180,000 of the \$500,000 established overpayments.

The original audit report is available at:

[Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit, 2019](#)

The remaining not fully implemented recommendations from this report are being addressed by the Housing Secretariat.

Toronto Court Services: Collection of Provincial Offence Default Fines, 2018

In 2018, the Auditor General completed an audit of the City's collection of Provincial Offences Act (POA) fines in default. Out of 31 recommendations, 15 were closed previously and management reported 12 recommendations as fully implemented.

Out of the 12 recommendations reported by management as fully implemented, we assessed 10 recommendations as fully implemented and two as not fully implemented.

[Toronto Court Services: Collection of Provincial Offence Default Fines, 2018](#)

Collection strategies implemented for difficult to collect accounts

Court Services has taken actions to improve collection of defaulted POA fines. We noted that Court Services has implemented collection strategies for difficult to collect accounts and leveraged available tools to encourage payment of delinquent accounts.

Some of the key actions taken include:

- Addition of a new roster of collection agencies that specialize in recovering old and difficult to collect fines.
- Assignment of newly defaulted fines immediately to agencies and regularly rotating uncollected fines between collection agencies.
- Implementation of a strategic plan to identify and prioritize accounts that would benefit from civil enforcement and adding fines to property tax roll.

\$16.6 million in additional revenues collected

In the Auditor General's 2023 Annual Report, we reported that Court Services collection rates have improved by implementing our audit recommendations. We estimate that Court Services has collected approximately \$16.6 million in additional revenues from April 2019 to March 2023 over and above the savings include in previous annual reports.

Further Action is Needed on Several Recommendations

The Auditor General's 2018 report recommended that Court Services improve collections by modernizing the use of data and technology to support effective collections. Management advised that the Ministry of the Attorney General (MAG) plans to replace the Province's Integrated Courts Offences Network (ICON) system. However, this is a multi-year plan without a formal implementation date.

Given MAG's ongoing consultations with municipalities on its Courts Digital Transformation initiative, management advised that Court Services has not moved forward with a separate collection management system. This initiative will impact every municipality across Ontario.

The Auditor General's 2018 audit report also identified instances where licences that were thought to have been suspended by the Ministry of Transportation (MTO) may not in fact be suspended. The Auditor General recommended that Court Services implement a process to identify and resolve data synchronization issues and to determine whether additional cases with defaulted fines are eligible for suspension and take appropriate action.

Court Services should reconcile historical ICON data with MTO

From a sample of reports we reviewed, approximately half of the cases that have been denied for suspension by MTO are still under review by Court Services. The Division needs to implement a process to periodically review and reconcile historical data from ICON with MTO to identify and address the synchronization issues between the two systems.

Management advised that enforcement of older cases is dependent on having timely access to MAG's archived records which are stored offsite. It is also contingent on timely and accurate reporting of rejected cases from MTO's Default Fine and Control Centre.

Management also advised that Court Services will meet with senior management from MTO and MAG to ensure that the Division has access to timely and accurate information on older fines eligible for enforcement so they can be actioned.

Development and Growth Services

Toronto Building Division: Conditional Permits

Review of conditional permits related allegations in 2017 resulted in 17 recommendations

In 2017, the Auditor General conducted a review of conditional permits in response to a Fraud and Waste Hotline complaint with allegations of:

- financial incentive for conditional permit applicants to obtain above-grade conditional permits in advance of scheduled development charges increases, and
- some above-grade conditional permits not being issued in full compliance with section 8(3) of the Building Code Act (1992).

A review of the allegations resulted in 17 recommendations for improving how conditional permits are issued. The report is available at:

[Toronto Building Division: Conditional Permits](#)

Follow-up review resulted in 8 new recommendations

A follow-up review was initiated in 2019 by the Auditor General, based on continued issues in the conditional permits process identified by the Chief Building Official (CBO), and to determine if conditional permits continued to be issued prematurely after the 2017 recommendations were made. This resulted in eight additional recommendations to achieve consistent business practices going forward. The report is available at:

[Toronto Building Division: Conditional Permits - Follow-up Review](#)

23 recommendations are closed and two are in progress

During this follow-up process management reported 21 recommendations as fully implemented and two as not applicable. We assessed 21 recommendations across the two reports as fully implemented and two recommendations as no longer applicable due to changes in the legislation and the respective business processes.

Toronto Building has implemented a comprehensive conditional permits policy

Toronto Building has implemented a comprehensive conditional permit policy to provide more guidance and standardize documentation requirements, including the issuance, monitoring, and enforcement of conditional permits.

In addition, the division has implemented a quality review process for all conditional permit applications to ensure consistency and compliance with the revised policy. Management advises that the Division is redefining its culture by encouraging compliance with the updated policy, while also reinforcing expectations through staff training and performance planning objectives.

Improvements in the conditional permit process has many benefits

These improvements have helped ensure that conditional permit files are properly documented and comply with the Building Code Act (1992). The enhanced business practices promote administrative fairness by treating all permit applicants consistently while also protecting the City's interests in collecting development charge revenue.

We acknowledge the Division's efforts for continuous improvement and that significant progress has been made in issuing conditional permits.

Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts, 2017

Review of complaint about cash misappropriation

In 2017, the Auditor General completed a review of a Fraud and Waste Hotline complaint involving allegations that cash receipts were being misappropriated in the Toronto Building Division.

The review identified several risks of misappropriating funds due to system control deficiencies and a lack of segregated duties in processing cash receipts. The Auditor General's report made six recommendations to address these risks. The report is available at:

[Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts, 2017](#)

Recommendations are still being addressed

For this follow-up cycle, Toronto Building reported three out of six recommendations as fully implemented. Despite having made some progress to address these recommendations, we found they are not fully implemented. All six of the original recommendations are a work in progress (including one recommendation which has been assigned to Finance and Treasury Services). The ongoing risks to the City continue, as identified in the review, related to accurate and complete recording of transactions.

Cash payments have shifted to electronic transactions

We also noted that the COVID-19 pandemic has shifted operations from cash payments to electronic transactions, and the Division collected payments of over one billion dollars in 2023.

Division is reorganizing Customer Experience and finalizing payment procedures

During this follow-up cycle, we observed inconsistencies in payment processing practices across the four districts in the City. The Division is restructuring its Customer Experience operating structure to a centralized unit to handle all Issuance & Payments. We anticipate that this reorganization, along with finalizing the updated payment processing procedures, will strengthen payment controls within the Division and assist with implementing the Auditor General's recommendations (management's anticipated timing is for the first quarter of 2025).

Conclusion

Effectively implementing Auditor General's recommendations leads to both financial and non-financial benefits. The benefits are realized sooner when management acts quickly to implement high priority recommendations. This follow-up cycle highlighted noteworthy achievements from management actions to fully implement Auditor General recommendations which have resulted in significant financial and non-financial benefits for the City.

Service improvements in various areas

The resulting benefits include management actions in identifying, correcting, and preventing improper payments; curbing the escalating costs of health and long-term disability benefits; and improving controls over how the City bills and collects revenue.

Thank You

In closing, we would once again like to express our gratitude to City staff and management for their ongoing cooperation, input, and willingness to take action to address the Auditor General's recommendations. We look forward to continuing to work together in making a positive impact.

Exhibit 1: Results of Toronto Auditor General's 2024 Consolidated Follow-up Review

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		FINANCE AND TREASURY SERVICES	65	49	2	14
		Pension, Payroll & Employee Benefits				
1	Jun 2012	Improving Reporting and Monitoring of Employee Benefits	1	1		
2	Oct 2015	Management of the City's Long-Term Disability Benefits Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits	2	1		1
3	Jun 2016	Management of the City's Long-Term Disability Benefits Phase Two: Interim Report on the Approval and Monitoring of Claims	6	5		1
4	Oct 2016	Management of the City's Long-Term Disability Benefits Phase Two: The Need for a Proactive and Holistic Approach to Managing Employee Health and Disability	5	2		3
5	Oct 2016	Management of the City's Employee Extended Health and Dental Benefits Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims	3	2		1
6	Mar 2017	Management of the City's Employee Extended Health and Dental Benefits, Phase Two: Ineffective Controls and Plan Design Leaving the City Vulnerable to Potential Benefit Abuse	3	3		
7	Jun 2017	Supplementary Report to the Auditor General's Phase One Report: "The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims"	2	2		
8	Oct 2020	Continuous Controls Monitoring Program: Opportunities to Reduce Cost of Dental Benefits	4	3		1
9	Oct 2020	Employee Health Benefits Fraud Involving a Medical Spa	5	3	1	1
		Purchasing & Materials Management				
10	Feb 2015	Review of Divisional Purchase Orders	2	2		
11	Oct 2016	Strengthening Enforcement of the Fair Wage Policy	8	7	1	

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
12	Jun 2019	Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes	11	8		3
		Revenue Services				
13	Oct 2015	Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)	2	1		1
14	Feb 2016	Audit of Water Billing and Collection - Phase I: Overdue Water Account Collections Require Strengthening	10	8		2
15	Oct 2016	Audit of Water Billing and Collection - Phase II: Part 1- Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue	1	1		
		COMMUNITY AND SOCIAL SERVICES	26	19	0	7
		Children's Services				
16	Apr 2018	Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds	11	6		5
		Court Services				
17	Apr 2018	Toronto Court Services: Collection of Provincial Offence Default Fines	12	10		2
		Economic Development and Culture				
18	Feb 2021	Toronto Business Improvement Areas (BIAs) Accounts Payable Fraud Investigation	3	3		
		DEVELOPMENT AND GROWTH SERVICES	28	21	4	3
		Toronto Building				
19	Jan 2014	Toronto Building - Improving the Quality of Building Inspections	2		2	
20	Mar 2017	Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts	3			3
21	Oct 2017	Toronto Building Division: Conditional Permits	15	13	2	
22	Feb 2020	Toronto Building Division: Conditional Permits – Follow-up Review	8	8		
		INFRASTRUCTURE SERVICES	3	3	0	0
		Transportation Services				
23	Jun 2022	Installation and Maintenance of Traffic Signs Contract - Follow up on Complaints Received	3	3		

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		CITY MANAGER	5	2	0	3
		City Manager's Office				
24	May 2014	Cost Benefits of Extended Warranties for Construction Projects are unknown	1			1
25	Feb 2015	Service Efficiency Consultants Studies - Extent of Value for Money From Studies Has Not been Clearly Demonstrated	1			1
26	Jan 2020	2019 Annual Report on the Fraud Waste Hotline	1	1		
		People and Equity				
27	Jun 2014	Opportunities to Enhance the Oversight of Non-Union Employee Separation costs	1			1
28	May 2015	Improving the Administration of City Training Programs	1	1		
		CONFIDENTIAL RECOMMENDATIONS	1	0	1	0
29		Confidential recommendations in this follow-up cycle (one report listed in Confidential Attachment 1)	1		1	
		AGENCIES AND CORPORATIONS	63	42	8	13
30		Please refer to Exhibit 1 of the TTC report tabled at the June 20, 2024 TTC Board Meeting 9 reports included in the TTC follow-up	63	42	8	13
		Total	191	136	15	40

Exhibit 2: Status of Outstanding Recommendations in Auditor General Reports as of April 30, 2024

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
Reports Reviewed in 2024 Follow-up Process						
FINANCE AND TREASURY SERVICES			135	106	1	28
	Pension, Payroll & Employee Benefits					
1	Oct 2015	Management of the City's Long-Term Disability Benefits Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits	13	10		3
2	Jun 2016	Management of the City's Long-Term Disability Benefits Phase Two: Interim Report on the Approval and Monitoring of Claims	9	8		1
3	Oct 2016	Management of the City's Long-Term Disability Benefits Phase Two: The Need for a Proactive and Holistic Approach to Managing Employee Health and Disability	10	7		3
4	Oct 2016	Management of the City's Employee Extended Health and Dental Benefits Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims	18	17		1
5	Oct 2020	Continuous Controls Monitoring Program: Opportunities to Reduce Cost of Dental Benefits	4	3		1
6	Oct 2020	Employee Health Benefits Fraud Involving a Medical Spa	5	4		1
	Purchasing & Materials Management					
7	Feb 2015	Review of Divisional Purchase Orders	4	3		1
8	Oct 2016	Strengthening Enforcement of the Fair Wage Policy	13	12		1
9	Jun 2019	Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes	20	10	1	9
	Revenue Services					
10	Oct 2015	Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)	15	14		1
11	Feb 2016	Audit of Water Billing and Collection - Phase I: Overdue Water Account Collections Require Strengthening	19	15		4

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
12	Oct 2016	Audit of Water Billing and Collection - Phase II: Part 1- Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue	5	3		2
COMMUNITY AND SOCIAL SERVICES			51	40	0	11
	Children's Services					
13	Apr 2018	Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds	20	15		5
	Court Services					
14	Apr 2018	Toronto Court Services: Collection of Provincial Offence Default Fines	31	25		6
DEVELOPMENT AND GROWTH SERVICES			23	15	0	8
	Toronto Building					
15	Mar 2017	Toronto Building Division – Strengthening System Controls to Safeguard Cash Receipts	6			6
16	Oct 2017	Toronto Building Division: Conditional Permits	17	15		2
CITY MANAGER			15	12	0	3
	City Manager's Office					
17	May 2014	Cost Benefits of Extended Warranties for Construction Projects are unknown	4	3		1
18	Feb 2015	Service Efficiency Consultants Studies - Extent of Value for Money From Studies Has Not been Clearly Demonstrated	3	2		1
	People and Equity					
19	Jun 2014	Opportunities to Enhance the Oversight of Non-Union Employee Separation costs	8	7		1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
AGENCIES AND CORPORATIONS			152	92	13	47
		Toronto Transit Commission				
20	Jun 2024	Please refer to Exhibit 2 of the TTC report tabled at the June 20, 2024 TTC Board Meeting¹¹	152	92	13	47
Reports Not In Scope For 2024 Follow-up Process						
FINANCE AND TREASURY SERVICES			69	45	10	14
		Purchasing & Materials Management				
21	Oct 2012	City Stores: Maximize Operating Capacity to Be More Efficient	9	7		2
22	Oct 2017	Obtaining the Best Value Through the Use of Vendor Rosters	8		8	
		Financial Planning				
23	May 2013	Financial Planning Analysis and Reporting System (FPARS) - A Large Scale Business Transformation/Information Technology Project	9	8	1	
		Accounting Services				
24	Oct 2009	City Purchasing Card (Pcard) Program - Improving Controls Before Expanding the Program	20	19		1
25	Apr 2012	Review of The Management of the City's Divisional Accounts Receivable	8	5		3
		Revenue Services				
26	Mar 2017	Auditor General's Review of Toronto Water Billing and Collections - Phase II: Water Billing and Water Meter Management Controls Require Strengthening	15	6	1	8
COMMUNITY AND SOCIAL SERVICES			96	41	18	37
		Social Development Finance and Administration				
27	Jan 2013	Municipal Grants - Improving the Community partnership and Investment Program	8	6	2	

¹¹ The total recommendations in Exhibit 2 of the TTC report are reflected in Items 20 and 90 of this exhibit.

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Toronto Paramedic Services				
28	Oct 2013	Emergency Medical Services - Payroll and Scheduling Processes Require Strengthening	12	10		2
		Parks, Forestry & Recreation				
29	Jan 2009	Parks, Forestry and Recreation - Capital Program - The Backlog in Needed Repairs Continues to Grow	10	9		1
30	Jun 2018	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement	12	4	1	7
31	Apr 2019	Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services	10	4		6
32	Feb 2021	Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit	17	7	1	9
		Toronto Shelter and Support Services				
33	May 2022	Part 1 of the Audit of Emergency Shelters: A Focus on Case Management	12		5	7
34	May 2022	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations	15	1	9	5
DEVELOPMENT AND GROWTH SERVICES			79	49	1	29
		City Planning				
35	Feb 2022	Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations	2			2
		Housing Secretariat				
36	Jun 2014	Strengthening the City's Oversight of Social Housing Programs	14	13		1
37	Jun 2019	Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing	28	23		5
38	Oct 2019	Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit	13	5	1	7
39	Oct 2020	Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program	11			11
		Toronto Building				
40	Jan 2012	Toronto Building Division - Building Permit Fees, Improving Controls and Reporting	11	8		3

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
INFRASTRUCTURE SERVICES			100	51	34	15
Engineering & Construction Services						
41	Jun 2018	Engineering and Construction Services, Phase One: Controls over Substantial Performance and Warranty Inspection Processes Should be Strengthened	3		3	
42	Jun 2019	Engineering and Construction Services - Phase Two: Construction Contract Change Management Controls Should Be Strengthened	4		1	3
Municipal Licensing and Standards						
43	Jan 2013	Municipal Licensing and Standards, Investigation Services Unit - Efficiencies Through Enhanced Oversight	13	11	2	
44	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part One: Licence Issuance, Inspection and Complaint Investigation Functions	7	3		4
45	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Two: Licensed Holistic Centres	2			2
46	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs	4	2		2
Solid Waste Management Services						
47	Jun 2018	Review of the Green Lane Landfill Operations - Management of Contracts Needs Improvement	18	11	7	
Toronto Water						
48	Oct 2017	Improving the Effectiveness of the Basement Flooding Protection Subsidy Program	8		8	
Transportation Services						
49	Apr 2012	Inventory Controls Over Traffic Control Devices in Transportation Services Need to be Improved	9	8		1
50	Mar 2017	Detection of Warning Signs for Potential Bid Rigging Should be Strengthened	6	5		1
51	Oct 2020	Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes	22	9	12	1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
52	Jun 2021	Winter Road Maintenance Program – Phase 2 Analysis: Deploying Resources	4	2	1	1
CORPORATE SERVICES			354	237	38	79
	Corporate Real Estate Management					
53	Sep 2005	Maintenance and Administrative Controls Review – Facilities and Real Estate	32	27		5
54	Oct 2012	A Mid-Term Review of the Union Station Revitalization: Managing Risks in a Highly Complex Multi-Year, Multi-Stage, Multi-Million Dollar Project	20	19		1
55	Feb 2015	Facilities Management - Security and Safety Improvements Required	22	19		3
56	Jun 2016	Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services	14	4	5	5
57	Jun 2016	Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts	16	12		4
58	Jun 2017	Real Estate Services Division - Restore Focus on Union Station Leasing	21	9	5	7
59	Jun 2018	Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services	17	15		2
60	Jun 2018	Enhance Focus on Lease Administration of City-owned Properties	19	2		17
61	Jun 2021	Challenges in Contract Management - Auditor General's Review of the Corporate Real Estate Management Division	19	9	2	8
	Customer Experience (311)					
62	Oct 2011	Full Potential For Improving Customer Service Has Yet To Be Realized	12	10		2
	Fleet Services					
63	Apr 2019	Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention	14	8	6	
64	Apr 2019	Fleet Services Operational Review Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles	3	2		1
65	Oct 2019	Fleet Services Operational Review Phase Two – Stronger Asset Management Needed	20	16	3	1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Technology Services Division				
66	Mar 2008	Disaster Recovery Planning for City Computer Facilities	7	3	1	3
67	Apr 2010	Governance and Management of City Wireless Technology Needs Improvement	8	7	1	
68	Jun 2010	Review of the City SAP Competency Centre	7	6	1	
69	Jan 2011	Governance and Management of City Computer Software Needs Improvement	14	13	1	
70	Mar 2014	Controls Over Telecommunication Expenses Need Improvement	20	16	2	2
71	Sep 2013	IT Service Desk Unit - Opportunities for Improving Service and Cost - Effectiveness	11	10		1
72	Feb 2015	Software Licenses - Managing the Asset and Related Risks	14	11		3
73	Jan 2018	IT Infrastructure and IT Asset Management Review: Phase 1: Establishing an Information Technology Roadmap to Guide the Way Forward for Infrastructure and Asset Management	15	10	1	4
74	Jun 2018	Information Technology Infrastructure and Asset Management Review: Phase 2: Establishing Processes for Improved Due Diligence, Monitoring and Reporting for Effective IT Projects and Asset Management	8	6		2
75	Jun 2018	Improvement Needed in Managing the City's Wireless Telecommunication Contracts	5	3	2	
76	Jun 2019	Establishment of City Wide Cyber Security Breach Incident Management Procedures Required	1		1	
77	Oct 2019	Investigation into Allegations of Reprisal: Reprisal Not Found, But Lessons Learned	1		1	
78	Feb 2021	Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System	10		5	5
79	Jun 2021	City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	3		1	2
80	Jul 2021	Supplementary Report: City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	1			1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
CITY MANAGER			1	0	0	1
		Office of the Chief Information Security Officer				
81	Jul 2021	Implementation of Cybersecurity High-Risk Recommendations Needs to be Expedited and Completed	1			1
CONFIDENTIAL RECOMMENDATIONS			49	21	13	15
82		Confidential recommendations (9 reports listed in Confidential Attachment 1)	49	21	13	15
AGENCIES AND CORPORATIONS			119	29	27	63
		Toronto Community Housing Corporation				
83	Mar 2019	Moving Forward Together: Opportunities to Address Broader City Priorities in TCHC Revitalizations	23	12	5	6
84	Nov 2021	Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services	10		4	6
		Toronto Parking Authority				
85	Jan 2016	Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities	12	8	4	
86	Jun 2017	Auditor General's Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2	6	4	2	
87	Apr 2021	Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues	1		1	

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
Toronto Police Service¹²						
88	Jun 2022	Toronto Police Service - Audit of 9-1-1 Public Safety Answering Point Operations Better Support for Staff, Improved Information Management and Outcomes	26			26
89	Jun 2022	Review of Toronto Police Service - Opportunities to Support More Effective Responses to Calls for Service A Journey of Change: Improving Community Safety and Well-Being Outcomes	25			25
Toronto Transit Commission						
90	Jun 2024	Please refer to Exhibit 2 of the TTC report tabled at the June 20, 2024 TTC Board Meeting¹¹	16	5	11	
Total			1,243	738	155	350

*As of April 30, 2024

Recently Issued Reports Excluded from the list of Outstanding Recommendations:

#	Date	Auditor General Reports	Auditor General Report Recommendations
City Divisions			
1	Feb 2024	Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits	11
2	Nov 2023	Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects	14
3	Jun 2023	A Review of the Procurement and Award of the Winter Maintenance Performance-Based Contracts	16

¹² An implementation update to City Council on Auditor General Recommendations on 9-1-1 Operations and Responses to Calls for Service by the Toronto Police Service was adopted on November 8, 2023. Refer to

[EX9.2 - Implementation Update: Auditor General Recommendations on 9-1-1 Operations and Responses to Calls for Service by the Toronto Police Service](#)

#	Date	Auditor General Reports	Auditor General Report Recommendations
4	Jun 2023	City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs	20
5	Jun 2023	Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses	6
6	Jun 2023	Winter Maintenance Program Follow-Up: Status of Previous Auditor General's Recommendations and Processes to Hold Contractors Accountable to New Contract Terms	4
7	Feb 2023	Building Better Outcomes - Audit of Toronto Building's Inspection Function	20
Toronto Transit Commission			
8	Nov 2023	Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays	20
CONFIDENTIAL RECOMMENDATIONS			
9	Nov 2023	Confidential recommendations	9
		Total	120

Exhibit 3: Aging of High Priority Not Fully Implemented Recommendations

Service Area / Entity	Less than 5 years	Between 5-10 years	More than 10 years	Total
City Manager	1	3	0	4
City Manager's Office	-	2	-	2
Office of the CISO	1	-	-	1
People and Equity	-	1	-	1
Community and Social Services	18	24	3	45
Children's Services	-	5	-	5
Court Services	-	6	-	6
Parks, Forestry & Recreation	8	13	1	22
Toronto Fire Services	5	-	-	5
Toronto Paramedic Services	-	-	2	2
Toronto Shelter and Support Services	5	-	-	5
Corporate Services	11	53	12	76
Corporate Real Estate Management	1	38	6	45
Customer Experience (311)	-	-	2	2
Fleet Services	1	1	-	2
Technology Services	9	14	4	27
Finance and Treasury Services	9	25	6	40
Accounting Services	-	-	4	4
Revenue Services	-	15	-	15
Pension, Payroll & Employee Benefits	2	8	-	10
Purchasing & Materials Management	7	2	2	11
Infrastructure Services	2	9	1	12
Municipal Licensing & Standards	-	8	-	8
Toronto Water	2	-	-	2
Transportation Services	-	1	1	2
Development and Growth Services	2	9	3	14
Housing Secretariat	2	1	-	3
Toronto Building	-	8	3	11
Agencies and Corporations	28	42	1	71
Toronto Community Housing Corporation	-	6	-	6
Toronto Police Service	24	-	-	24
Toronto Transit Commission	4	36	1	41
Grand Total	71	165	26	262

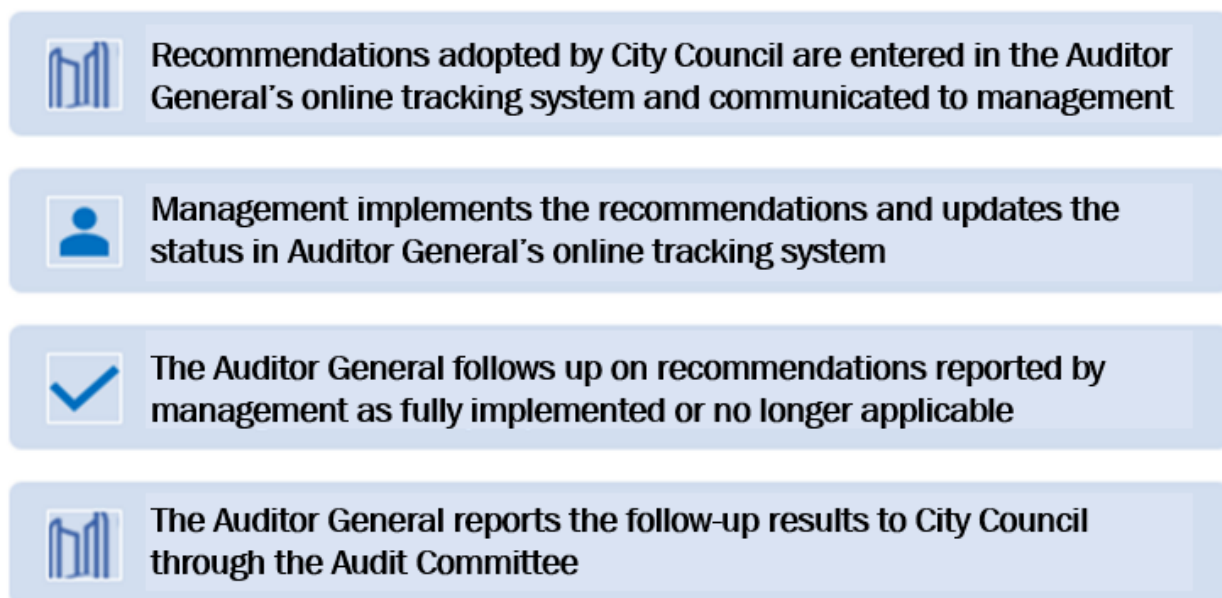
Exhibit 4: Auditor General's Follow-Up Process

Accountability and transparency

The Auditor General's follow-up process begins when the recommendations in an audit report are adopted by Audit Committee and City Council. A real time system is used to monitor the status of recommendations as they are addressed by management. The system allows management to update their action plans for open audit recommendations and to upload supporting documents for recommendations reported as fully implemented at any time.

A reasonable amount of time is provided for management action plans to be implemented before any follow-up work is performed. The Auditor General performs follow-up work only on recommendations reported by management as either fully implemented or no longer applicable. An overview of the Auditor General's follow-up process is provided in Figure 7.

Figure 7: Overview of Follow-up on Auditor General Recommendations



For recommendations still in progress, we do not perform any work as management is continuing to take actions to address them. However, if management has made significant progress and achieved savings from that work, we may verify the accomplishments and report on management actions while we continue to monitor until the recommendation is fully implemented.

Recommendations are considered outstanding when they are assessed as not fully implemented at the end of a follow-up review, management actions are in progress, and/or management reported them as fully implemented and they have not been verified by the Auditor General's Office. After a recommendation is assessed as fully implemented or no longer applicable it is closed.

Focus remains on high-priority recommendations

The Auditor General continues to focus follow-up resources on verifying the status of high-priority recommendations. These are the recommendations which have significant potential for savings, mitigates health and safety or other significant risks, or have been outstanding for over five years.

Benefits of implementing Auditor General recommendations

The financial and non-financial impacts realized by implementing the Auditor General's recommendations are reported in her Annual Report. While financial benefits can be quantified, the non-financial benefits are more challenging to measure and yet equally as important.

Less significant issues communicated directly to management

Sometimes the Auditor General will issue a separate letter to management detailing less significant issues that came to our attention during an audit, investigation, or other work. Recommendations in these letters are reviewed as part of our follow-up process. These results are communicated to management directly and generally are not included in our follow-up reported statistics. This cycle also included a review of management letter items, which the Auditor General will be communicating directly to the City Manager.

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

**AUDITOR
GENERAL**

TORONTO