



Auditor General's 2024 Annual Report

Demonstrating the Value of the Auditor General's Office

January 29, 2025

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

**AUDITOR
GENERAL**

TORONTO

Auditor General's Message



As I reflect on the accomplishments of our Office during my second full year as Auditor General, I am proud of our high-quality reports and work, and our staff who make this possible. This report shares the results of the work of our Office in 2024, showcasing the significant value and financial and non-financial benefits that we continue to provide to the City of Toronto.

Every year we demonstrate the measurable impact of our work with a quantified return on investment. The City has achieved cumulative one-time and annually recurring savings projected over a five-year period totaling over \$376 million (as reported in our 2020 to 2024 Annual Reports) by implementing our recommendations. For every dollar invested in the Auditor General's Office, there was a return of about \$11.

Our audits, investigations, and other work also have a positive impact on the City's services and people. We help to improve the efficiency and effectiveness of the City's programs, systems, and processes, which lead to better outcomes on important issues that affect Torontonians' daily lives.

In 2024, our Office delivered impactful reports with recommendations aimed at:

- supporting timely ambulance emergency response for people with medical issues requiring urgent attention
- supporting beautiful, clean and safe parks and achieving service level standards reliably and consistently across all City parks
- strengthening cybersecurity controls at City agencies and corporations
- enhancing the City's ability to safeguard long-term rental housing by improving the overall effectiveness and efficiency of the Short-Term Rental Program
- helping improve public safety in constructed buildings through efficient and effective intake and plan review of building permit applications
- reinforcing the importance of management's leadership and commitment to ensuring openness, fairness, and transparency in City procurement
- improving the tracking and management of software licences to help the City maximize the value of its investment in software
- strengthening the process for reporting, managing and documenting conflicts of interest

Additionally, in 2024, our Forensic Unit managed 679 complaints (representing approximately 1,050 allegations) received through the Fraud and Waste Hotline, and conducted and/or provided oversight of some complex investigations.

Here are just a few of management's acknowledgements of the impact of the work we completed in 2024:

"The public deserves clean, well maintained, and beautiful parks, managed in ways that deliver value for money for taxpayers by providing productive, efficient, and accountable services. The audit provides us with important areas of focus that, once implemented, will improve the experiences that Torontonians have in their parks."

Howie Dayton, General Manager, Parks and Recreation

"We thank the Auditor General and her team for their invaluable insights through a comprehensive operational review. The recommendations have helped us prioritize key areas for improvement to strengthen our operations. We are committed to building on this work to deliver better outcomes for our staff and the community we serve."

Bikram Chawla, Chief and General Manager, Toronto Paramedic Services

"The work of the Auditor General is a key element in supporting the successful continuous improvement of the City's cyber posture. As an independent, objective assurance activity, the audit process adds tremendous value...Audit reporting is vital to the City, its agencies, and corporations by providing integral recommendations for improving an organization's operations and cyber security."

Maneesh Agnihotri, Chief Information Security Officer

Our recommendations can only add value, save costs, or increase revenues for the City if they are implemented by City staff. Our follow-up work has verified that 83 per cent of our recommendations since 1999 have been fully implemented or are no longer applicable.

I would like to express my sincere gratitude for the consistent support and assistance we have received from management and staff from all City divisions, as well as staff and Board members from the agencies and corporations we've worked with. Thank you as well to members of the City's Audit Committee and City Council for their support of the work we do and in holding themselves and management accountable.

Finally, I am often asked "who audits the auditors?" Every three years, our Office undergoes an external peer review and, in 2024, we passed our review with the highest possible rating. The peer reviewers also highlighted feedback from staff interviews, noting that our staff enjoy their work and contributing towards making a difference for the City – a testament to the leadership of our Office.

I would like to recognize and thank the executive team and all staff at the Auditor General's Office for their commitment to completing high quality audits and investigations which lead to positive change for the City of Toronto, and for creating such a wonderful work environment where staff are able to bring their authentic selves to work every day, work together collaboratively, and continually grow and develop their skills. I am honoured to lead our office and to continue to serve the City of Toronto.

Sincerely,

Tara Anderson, CPA, CA, CFE, CIA, BAcc
Auditor General, City of Toronto

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Our Mission, Mandate, and Team

Mission

To be recognized as a leading audit organization, respected for excellence, innovation, and integrity, in supporting the City of Toronto as a world-class organization.

Mandate

Under Section 178 of the *City of Toronto Act, 2006*, the Auditor General is “*responsible for assisting city council in holding itself and city administrators accountable for the quality of stewardship over public funds and for achievement of value for money in city operations.*”

The Auditor General assists City Council in fulfilling its due diligence responsibilities by independently providing transparent, objective information to City Council to help ensure Torontonians' tax dollars are spent as directed by City Council.

The Auditor General's Office is independent of management and has the authority to conduct performance audits including reviews of financial controls, operations, and information system security. The Office also operates the Fraud and Waste hotline and conducts investigations and other special reviews of City divisions, and certain City agencies and corporations. **Exhibit 1** contains more details about our background, responsibilities, and authority under the *City of Toronto Act, 2006*.

Our Team



Our diversity strengthens the Office and enriches the work we do.
We are honoured to serve the City of Toronto.

Land Acknowledgement

The Toronto Auditor General's Office acknowledges that we are on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat peoples, and that this land is now home to many diverse First Nations, Inuit, and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 signed with the Mississaugas of the Credit, and the Williams Treaties signed with multiple Mississaugas and Chippewa bands.

2024 Highlights



10 audit, investigation, and
cybersecurity reports with 86
recommendations

\$11 for every dollar invested

Received highest rating on external
quality assurance review



The Toronto Municipal Code requires that the Auditor General report annually to City Council on the activities of our Office, including the savings achieved. This Annual Report demonstrates how our Office adds value to the City through our work that results in quantifiable financial and non-quantifiable benefits.

In 2024, the Auditor General presented 10 audit, investigation, and cybersecurity reports¹ with 86 recommendations, as well as a consolidated report on the status of previous Auditor General recommendations to City divisions, agencies and corporations. These reports are listed in **Exhibit 2** and the expected benefits and impacts from these reports are summarized in the **Impactful Reports Issued in 2024** section in this report.

- The total one-time and annually recurring savings projected over a five-year period realized in 2024 was over \$21 million; with a total cumulative estimated savings in our five most recent Annual Reports (from 2020 to 2024) totaling over \$376 million. For every dollar invested in our Office, there was a return of approximately \$11. This is discussed in more detail in the **Impact of Auditor General's Recommendations** section in this report.
- The non-quantifiable benefits from Auditor General recommendations include enhanced cybersecurity and internal controls, robust data analytics, improved policies and procedures and compliance with laws, regulations, and by-laws, more effective management and use of City resources, increased operational efficiencies, and better customer service. These are illustrated in the following section that summarizes the significant reports our Office issued in 2024 and in **Exhibit 3**.

¹ The 10 reports issued by the Auditor General in 2024 include six audit reports, three cybersecurity audit reports, and one investigation report, which are listed in **Exhibit 2**.

The audit and cybersecurity reports² issued by the Auditor General in 2024 focused on the following City program areas and services:



1. Community Services and Public Safety

- Phase 1 of the audit of **Parks Branch Operations** supports beautiful, clean, and safe parks and achieving service level standards reliably and consistently across all City parks by improving scheduling, tracking, and monitoring processes for parks maintenance, improving crew productivity, and enhancing supervision of parks maintenance activities.
- The audit of **Toronto Paramedic Services** supports timely ambulance emergency response for people with medical issues requiring urgent attention at the hospital by improving staffed ambulance availability and response times.

2. Building Construction and Housing

- The audit of **Short-Term Rental Program** and **Municipal Accommodation Tax** enhances the City's ability to safeguard long-term rental housing by improving the overall effectiveness and efficiency of the Short-Term Rental Program, ensuring compliance with by-laws, as well as the accuracy, completeness, and timeliness of Municipal Accommodation Tax remittances.
- The audit of **Intake and Plan Review of Applications for Building Permits** helps improve public safety in constructed buildings through efficient and effective intake and plan review of building permit applications.



3. Procurement and Contracts

- The audit of the **Procurement and Implementation of the Payt Unsolicited Proposal** reinforces the importance of management's leadership and commitment to ensuring openness, fairness, and transparency in City procurement through compliance with the unsolicited proposals policy and process.
- The audit of **Software Acquisition and Licence Management** will help to improve the tracking and management of software licences, including identifying underdeployed or underutilized licences, to maximize the value of the City's investment in software and licences. It will also help to provide more accurate and reliable IT asset management data, improving governance and reporting on technology projects, and strengthening strategic direction on implementing new software solutions.

² During 2024, we also issued an investigation report titled "*Investigation into Allegations of Reprisal for Reporting a Conflict of Interest*".

4. Cybersecurity – *Implementing strengthened cybersecurity controls will help agencies and corporations to prevent, detect, and protect against a potential cyber attack, and help to limit the impacts of a potential cyber incident.*



- Cybersecurity Audit of **Toronto Community Housing** and **Toronto Seniors Housing Corporations**
 - Phase One: Overall Network Security and Cybersecurity Assessment of Select Critical Systems
 - Phase Two: User Access Management and Event Logging
- Cybersecurity Audit of **Toronto Hydro**: Overall Network Security and Cybersecurity Assessment of Select Critical Systems

In 2024, an international peer review team from the Association of Local Government Auditors completed an external quality assurance review of our Office. Our Office received the highest rating, an unqualified “pass” opinion – the seventh time the Office has received this rating. We also continue to engage regularly with our counterparts from other jurisdictions in Canada and around the world, making valuable contributions to foster the growth of the profession. Our contributions are discussed in more detail in the **Leaders in our Profession** section in this report.

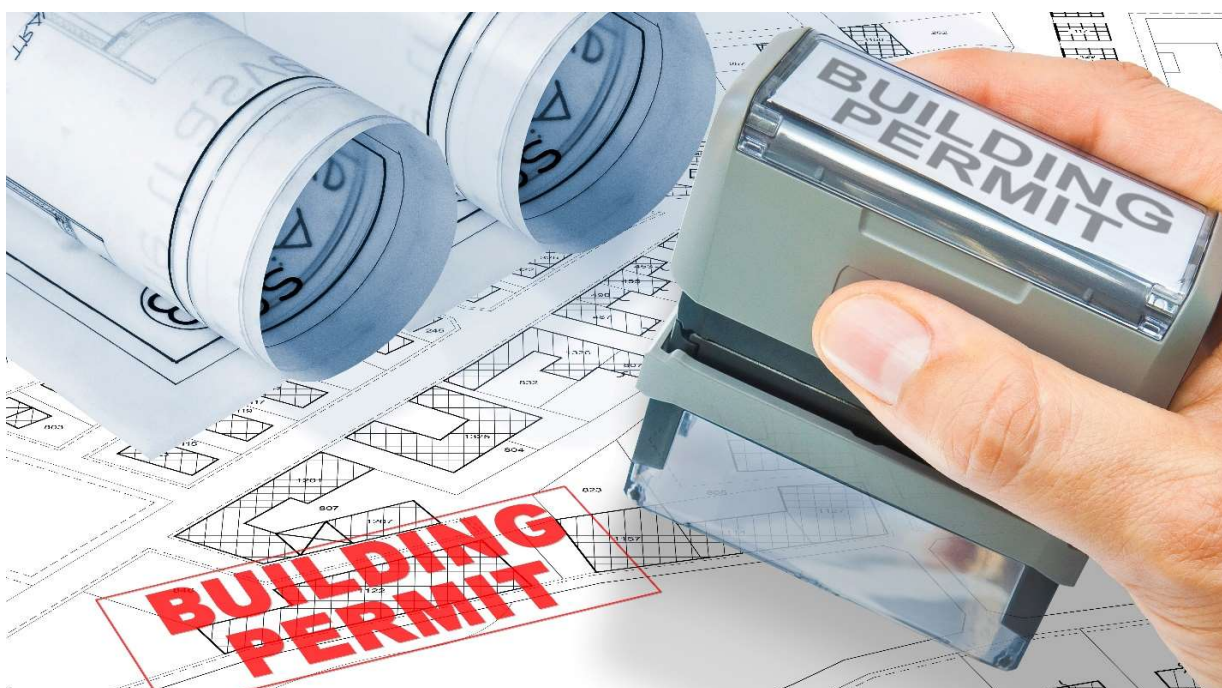
Impactful Reports Issued in 2024

10 audit and investigation reports and two follow-up reports issued in 2024

In 2024, our Office completed 10 performance audit and investigation reports, containing 86 public or confidential recommendations. The Auditor General also issued a consolidated report on the status of previous Auditor General recommendations to City divisions, agencies and corporations. A standalone report to the Board of Toronto Transit Commission on the *Toronto Transit Commission 2024 Follow-up – Status of Previous Auditor General's Recommendations* was also issued. **Exhibit 2** provides a listing of the reports issued by the Office in 2024.

This section summarizes the impacts of the significant reports issued in 2024, including actions taken by management since the reports, as outlined in the purple boxes below each report summary.

Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits, February 2024



Why this audit matters

The Ontario Building Code sets the minimum standards for the design and construction of buildings to minimize risk to the health and safety of occupants.

Our audit highlighted that the Toronto Building Division could strengthen its building permit application intake and plan review processes to better enforce compliance with the *Building Code Act, 1992* and the Ontario Building Code, as well as to improve customer service.

Opportunities for continuous improvement

Our audit identified three main areas for continuous improvement. In particular, we identified opportunities to:

- strengthen processes and reinforce quality and consistency in reviewing building permit applications and compliance with legislated time frames
- enhance operational policies, strengthen supervision, monitoring, and quality assurance processes, to help ensure completeness and accuracy of building permit files, and improve onboarding and ongoing training for staff to ensure that Examiners stay current on Building Code, Zoning by-law, and Applicable Law requirements and changes
- modernize technology and data needed to better support more efficient and improved building permit application intake and plan review processes

How recommendations will benefit the City

The 11 recommendations contained in this report will enable the Toronto Building Division to improve its policies and processes for building permit application intake and plan reviews, and reinforce quality and consistency in reviewing building permit applications within legislated timelines.

The audit report is available at:

<https://www.torontoauditor.ca/report/toronto-building-division-audit-of-intake-and-plan-review-of-applications-for-building-permits/>

Action taken by management since our report:

Since our report was issued, the Interim Executive Director, Toronto Building Division and Chief Building Official advised that the following actions have been taken, noting that the Division continues to take action to implement all recommendations:

- Developed a risk-based approach for zoning and code reviews through the creation of policies to improve plan review service levels for the overall processing of building permit applications.
- Enhanced quality assurance and ongoing monitoring of permit applications by introducing a Quality Assurance Program through the implementation of the Division's Program Review.

- Implemented a centralized process for the receipt of resubmissions and additional information related to building permit applications to ensure timely processing and review.
- Developed a professional development program which includes annual refresher training for internal policies and procedures as well as position specific technical training.
- Established a formal and structured onboarding program to support staff in their roles as well as to provide the professional development and training required to increase staff competency and consistent adoption of good practices.
- Established a protocol for periodic review of checklists and deficiency lists that will ensure all checklist and deficiency lists reflect the most up-to-date Building Code and Zoning by-law requirements. A comprehensive review will be conducted annually in the first quarter to incorporate significant regulatory changes, departmental feedback, and deficiency trends.

Audit of Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System, June 2024



Why this audit matters

Toronto Paramedic Services provides 24/7 medical emergency pre-hospital care and ambulance transportation. Timely ambulance emergency response is critical, particularly for people with medical issues requiring urgent attention at the hospital. Every second matters for ambulance emergency response, particularly when it is a matter of life or death.

With the ongoing shortage of doctors, more people rely on paramedic services (and hospital emergency departments) as a safety net to access basic healthcare services they need when other options are unavailable.

How recommendations will benefit the City

The audit report contained 10 recommendations that will assist Toronto Paramedic Services in improving staffed ambulance availability and response times.

Opportunities for continuous improvement

In particular, our audit identified opportunities for:

- reviewing response time targets, improving overall response times particularly for higher acuity calls, and monitoring response times by geographic area
- requesting further provincial support to address the healthcare system pressures
- determining optimal staffing and ambulance resources and implementing strategies to help manage the daily, weekly, and seasonal peaks in demand that contribute to the low availability of staffed ambulances
- implementing strategies to free up resources for higher acuity calls by employing innovative approaches to address low acuity calls, diverting some mental health calls to appropriate agencies, and understanding the needs of frequent 9-1-1 users better through data analysis

The audit report is available at:

<https://www.torontoauditor.ca/report/toronto-paramedic-services-rising-response-times-caused-by-staffing-challenges-and-pressures-in-the-healthcare-system/>

Action taken by management since our report:

In response to our audit, management advised that:

- A comprehensive review of the performance plan and response time targets is underway to ensure alignment with operational priorities and efficiency.
- A formal request has been submitted to the Ministry of Health to:
 - establish a 30-minute offload target for hospitals;
 - consider creating a centralized data system that provides a single point of entry to the various healthcare options; and
 - support funding requirements for the Central Ambulance Communications Centre.

- A detailed staffing analysis to determine optimal frontline staffing levels by evaluating workload demand patterns, inactive staff allocation, and response time targets has been developed and is nearing completion.
- Toronto Paramedic Services has engaged with the City's People and Equity Division to review and enhance existing recruitment processes and retention strategies for Communications staff. Similar work is planned for Paramedic staff, including consultation with the union representing Paramedics.
- Data on frequent 9-1-1 users is being analyzed to identify additional patients who could benefit from the Community Paramedicine program.
- A targeted public education campaign was launched to reduce non-emergency call volumes, ensuring emergency resources remain focused on critical cases.

Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes, June 2024



Why This Audit Matters

Toronto's housing market has faced growing affordability challenges for many years. A City staff report in 2023 indicated the problem is most pronounced for renters. Renters make up almost half of the city's households (557,970 or 48 per cent) and 40 per cent of them are living in unaffordable housing.

Short-Term Rental program aims to safeguard long-term rental stock

The rise of online short-term rental services in recent years has disrupted the traditional housing landscape. An increasing number of individuals are renting residential properties or rooms for short periods, hurting both affordability and availability for renters. This trend away from long-term rentals reduces the rental housing stock, worsening the housing crisis.

The City's Short-Term Rental Program aims to limit short-term rental activity to principal residences and safeguard long-term rental residential housing.

How Recommendations Will Benefit the City

The findings and recommendations from this audit will help the City of Toronto enhance Toronto's Short-Term Rental Program and the collection of Municipal Accommodation Tax (MAT) revenue by improving regulatory oversight, enforcement, and data management.

15 recommendations to help improve regulatory oversight, enforcement, and data management

In particular, the Auditor General made 15 recommendations to:

- strengthen the risk-based compliance framework to help achieve the bylaw's intended goals, including preventing commercialized short-term rental activity and enforcing the principal residence requirement
- improve program effectiveness and efficiency by streamlining the application and registration processes, ensuring better compliance monitoring and enforcement against non-compliant operators, and improving the reliability and quality of data for analysis and decision-making
- ensure that MAT remittance is accurate, complete, and processed timely through better reporting of short-term rental transactions and reconciliation of MAT
- enhance key performance indicators and targets to evaluate program effectiveness and efficiency and provide accountability for the program

The audit report is available at:

<https://www.torontoauditor.ca/report/audit-of-short-term-rental-program-and-municipal-accommodation-tax-strengthening-bylaw-enforcement-and-enhancing-municipal-accommodation-tax-collection-processes/>

Action taken by management since our report:

In response to our audit, Municipal Licensing and Standards (MLS) and Revenue Services management have advised that:

- MLS is developing an internal Short-Term Rental Operations Framework that will provide guidance to program staff on Short-Term Rental processes relating to application review, communication, investigations, enforcement and compliance. Improvements have been made to the triage and processing of Short-Term Rental applications.
- MLS has hired additional staff and enforcement officers to support Short-Term Rental operations and compliance efforts.
- MLS is also working with the Technology Services Division to modernize the Short-Term Rental case management system.
- Revenue Services has taken action to improve internal audit processes and procedures to ensure short-term rental operators and platforms are remitting Municipal Accommodation Tax truthfully and accurately. Revenue Services is also reviewing the possibility of amending the interest calculation methodology that is currently stated in By-law 296-2018, in consultation with Legal Services.
- Both Divisions are meeting with the Short-Term Rental companies on a regular basis to review issues such as addressing non-compliance and obtaining tax remittance data and stay data.
- Both Divisions have implemented new standard file documentation and retention procedures that aligns with City policies, particularly regarding Municipal Accommodation Tax and nightly fees data.

**Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement:
An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal,
September 2024**



Why this audit matters

The City's unsolicited proposal policy and process sets out expectations for how divisions respond to unsolicited proposals in a manner that ensures transparency, fairness, and best value for the City. This audit reinforced the importance of management's leadership and commitment to ensuring openness, fairness, and transparency in City procurement.

City Council requested a review of the Strategic Partnerships Office in March 2021

In March 2021, City Council requested the Auditor General to consider a review of the Strategic Partnerships Office. An audit of the procurement and implementation of Paylt was subsequently added to the Auditor General's Work Plan. The audit focused on whether the City followed its unsolicited proposals policy and process and whether the City's reported intended outcomes for the implementation of the Paylt Platform were achieved.

Lessons learned and opportunities for continuous improvement

The audit identified several opportunities and lessons learned, including recommendations for management to:

- review and update the City's Unsolicited Quotations for Proposals Policy and Process for Receiving and Reviewing Unsolicited Quotations and Proposals

- ensure all Division Heads and applicable staff who are responsible for receiving demonstrations by potential suppliers receive training on the City's Unsolicited Quotations for Proposals Policy and Process for Receiving and Reviewing Unsolicited Quotations and Proposals as well as the procedure for Conducting a Swiss Challenge Request for Proposal; and
- ensure City Council is presented with business cases for City-wide projects that present outcomes that can realistically be achieved within the timeframes desired, as well as potential risks, drawbacks, and disadvantages

How recommendations will benefit the City

The nine recommendations in this report were aimed at strengthening the oversight and policy and process for receiving, reviewing, and responding to unsolicited proposals. They will also help to ensure City Council receives transparent and balanced information to support decision-making.

The recommendations also include an enhanced governance framework and methodology for ensuring ownership and accountability of large, City-wide technology projects involving multiple division and/or cross-divisional teams.

The audit report is available at:

<https://www.torontoauditor.ca/report/reinforcing-the-importance-of-openness-fairness-and-transparency-in-city-procurement-an-audit-of-the-procurement-and-implementation-of-the-payit-unsolicited-proposal/>

Action taken by management since our report:

In response to our audit, management advised that:

- A new City-wide digital payment strategy is being developed and is expected to be considered by City Council in early 2025, which would be followed by an open and competitive procurement process should a vendor be required to deliver on the strategy.
- A review of the City's Unsolicited Quotations and Proposals Policy and Process was substantially completed in Q4 2024 and changes will be implemented by Q1 2025. Division Heads and applicable staff will be trained on the policy and process, and clearly understand expectations and practices.
- The Strategic Partnerships Office will enforce adherence to this policy and process, and all staff will be expected to retain appropriate records in relation to procurements and contracts. Any risk of non-compliance will be escalated to the City Manager.

- A robust project governance approach is being implemented in response to the Auditor General's audit of the City's Enterprise Work Management Solution and will be applied to the current contract with Paylt and any future work related to digital payments. Management expects to have this completed by the end of January 2025.
- Staff are working on a report that City Council will receive in Q2 2025 on the annual amounts received by Paylt from the initial three-year contract and include a comparative cost-benefit analysis and return on investment summary.

Audit of Parks Branch Operations – Phase 1: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe, September 2024



Why this audit matters

Beautiful, clean and safe parks contribute to the quality of life in Toronto's communities. The Parks Branch is responsible for maintaining the City's parks to ensure service level standards are met.

This audit focused on the efficiency of daily park maintenance activities, compliance with established service level standards, and opportunities for improving how the Parks Branch performs day-to-day maintenance to help keep parks beautiful, clean, and safe.

Opportunities for continuous improvement

Our audit identified three main areas for continuous improvement of oversight of day-to-day parks maintenance:

- implement procedures and processes that leverage GPS and other enabling technologies, to improve its scheduling, tracking, and monitoring of park maintenance crews
- develop specific operational policies or guidelines, which will help strengthen supervision, on-site monitoring, and quality assurance processes over daily park maintenance activities
- improve the quality and reliability of data to be able to leverage the data, develop the necessary processes to periodically measure and report service level performance, and to identify and address gaps between service level expectations and actual performance

How recommendations will benefit the City

Implementing the nine recommendations in the report will enable the Parks Branch to improve its scheduling, tracking, and monitoring processes for parks maintenance, improve crew productivity and supervision of parks maintenance activities, and help in achieving service level standards reliably and consistently across all City parks.

The audit report is available at:

<https://www.torontoauditor.ca/report/audit-of-parks-branch-operations-phase-1-improving-oversight-of-day-to-day-maintenance-helps-to-ensure-city-parks-are-beautiful-clean-and-safe/>

Action taken by management since our report:

In the report (November 25, 2024) considered at the December 9, 2024 Audit Committee meeting, the General Manager, Parks Forestry and Recreation (PFR) indicated that PFR had already taken the following steps to address the recommendations from the Auditor General:

- PFR issued a memo to all parks staff to reinforce time and attendance reporting expectations and to outline the requirements and process for completing and storing Daily Activity Sheets.
- PFR had initiated training sessions to ensure staff are aware of the accountability and sign-off requirements, as well as the requirement for every crew member to be aware of the contents of their crew's Daily Activity Sheets.
- PFR and Fleet Services worked collaboratively to install GPS on all remaining Parks vehicles, targeting installation on all Parks Class 1-8 vehicles by the end of 2024.

- PFR had begun implementing two key processes within the new Parks Quality Assurance Framework: the Supervisor Quality Check and the Daily Activity Sheet Administrative Review. Supervisors are now responsible for conducting and documenting on-site quality checks of a rolling sample of crew work. Supervisors must verify that work reported on Daily Activity Sheets has been completed and meets parks standards. As well, quality assurance staff are now responsible for systematically reviewing a rolling sample of Daily Activity Sheets to ensure they are filled out completely, with no deficiencies.

Cybersecurity Audits of Selected Agencies and Corporations



Why these audits matter

Cybersecurity is a critical risk for all organizations. With cyber threats evolving across the globe, the City of Toronto and its agencies and corporations must ensure their cybersecurity programs are adapting to new challenges and threats.

The Auditor General's Office has been proactive in its approach to independently assessing cybersecurity and has completed a number of vulnerability assessments and penetration testing of critical systems at the City, and its agencies and corporations since 2016.

The City has been implementing our Auditor General report recommendations, which included creating the role of the Chief Information Security Officer (CISO) in 2019.

The City has also been proactive in its action to address evolving risks, particularly given cyber attacks which occurred in recent years at some of the City's agencies (Toronto Zoo, Toronto Public Library, and the TTC). In 2024, the Office of the CISO's mandate was expanded to include working together with the City's agencies and corporations to offer its services and further strengthen cybersecurity controls.

Given the significant risks due to continuously evolving cybersecurity threats, the Auditor General will continue to perform cybersecurity audits to help the City and its agencies and corporations in continually improving cybersecurity controls.

Cybersecurity Audit of Toronto Community Housing Corporation and Toronto Seniors Housing Corporation, July & September 2024

Cybersecurity audit of Toronto Community Housing Corporation and Toronto Seniors Housing Corporation

In 2024, the Office completed a cybersecurity audit of Toronto Community Housing Corporation (TCHC). TCHC also provides information technology services to Toronto Seniors Housing Corporation (TSHC) which is integrated with TCHC's enterprise information technology infrastructure and environment. As such, we also included TSHC's systems in our audit scope.

The Phase 1 audit focused on an assessment of the overall network security and select critical systems of TCHC and TSHC.

The Phase 2 audit focused on the assessment of user access management and network and system event logging across TCHC's and TSHC's technology environment.

The Auditor General's cybersecurity reports are confidential. The results of the Phase 1 and Phase 2 audits and their recommendations have been reported to management, TCHC's Building Investment, Finance and Audit Committee, and the Boards of TCHC and TSHC. A confidential detailed technical report was also provided to management of TCHC's Information and Technology Services Division.

The public reports are available at:

<https://www.torontoauditor.ca/report/cybersecurity-audit-of-toronto-community-housing-and-toronto-seniors-housing-corporations-phase-one-overall-network-security-and-cybersecurity-assessment-of-select-critical-systems/>

<https://www.torontoauditor.ca/report/cybersecurity-audit-of-toronto-community-housing-and-toronto-seniors-housing-corporations-phase-two-user-access-management-and-event-logging/>

Cybersecurity audit of Toronto Hydro

Management's response to the report:

Management has accepted all the Auditor General's recommendations and agreed to implement the recommendations.

Cybersecurity Audit of Toronto Hydro, August 2024

Toronto Hydro Corporation ("Toronto Hydro") is wholly owned by the City of Toronto, providing electric utility services to approximately 793,000 customers in Toronto. Information technology plays an important role in all aspects of Toronto Hydro's operations and is part of the larger ecosystem that is responsible for delivering safe and reliable electricity to the residents and businesses in the city.

In 2024, the Office completed a cybersecurity audit of Toronto Hydro. The confidential results of this audit were provided to Toronto Hydro's management, Audit Committee, and the Board. A confidential detailed technical report was also provided to management.

The public report is available at:

<https://www.torontoauditor.ca/report/cybersecurity-audit-of-toronto-hydro-overall-network-security-and-cybersecurity-assessment-of-select-critical-systems/>

Toronto Hydro Board and management responses to the report:

On August 14, 2024, the Chair of the Toronto Hydro Board's Audit Committee, Jim Hinds, delivered his meeting report to the Board of Directors. The Auditor General's Report and confidential attachment were delivered to the Board of Directors in conjunction with the Audit Chair's report. It was confirmed that actions were in place at Toronto Hydro with respect to the recommendations set out in the Auditor General's Report and confidential attachment. The Board of Directors expressed its thanks for the work completed by the Auditor General and the Report.

<https://www.toronto.ca/legdocs/mmis/2024/au/bgrd/backgroundfile-248691.pdf>

Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences, December 2024



Why this audit matters

Software licences are a significant and growing cost, as the City embraces digital infrastructure and automates its systems and processes. In 2023, the City spent \$44 million on software acquisitions and \$34 million on software maintenance. Over the last five years from 2019 to 2023, the City's total expenditures for software acquisition, maintenance and support were approximately \$235 million.

This audit focused on assessing whether tracking of software licences, cloud subscriptions, and maintenance is accurate, and whether unused software is identified and addressed in a timely manner. This audit identified an estimated cost of almost \$11 million in unused licences for five software applications.

How recommendations will benefit the City

The 10 recommendations contained in the audit report will help maximize the value of the City's investment in software and licences, and improve the City's governance, management, and processes related to software acquisition and utilization.

In particular, our audit findings identified opportunities in the following four key areas:

- improving licence acquisition, management, and utilization
- streamlining and automating the off-boarding process of former employees to reduce the risk of licences remaining assigned to users who leave the City or are on long-term leave
- strengthening the governance over information technology asset management and developing a clear data strategy and plan to manage the City's software assets
- exploring opportunities to achieve greater economies of scale through more effective bulk purchasing of software, if agencies and corporations are also included in the procurement

The report is available at:

<https://www.torontoauditor.ca/report/audit-of-software-acquisition-and-licence-management-managing-and-optimizing-value-from-software-licences/>

Action taken by management:

Management agreed with all 10 recommendations and will continue to strengthen controls. For example, management advised that a new reconciliation process has been implemented to improve the management of certain licences by reclaiming those assigned to former employees and automatically adding them back to the license pool, increasing the number of licenses available to new staff.



Forensic Unit conducts and provides oversight over investigations

The City's Fraud and Waste Hotline Program is operated by the Auditor General's Forensic Unit. The Forensic Unit conducts investigations and provides independent oversight of management-led investigations. Without the Hotline Program, certain losses from incidents of fraud and waste might not have been identified or recovered.

Hotline data also provides a picture of trends and potential risks that have contributed to audits with significant findings, including the recent audits of the Paylt unsolicited proposal procurement, Toronto Building's inspection function, and the procurement and award of winter maintenance contracts.

679 complaints, approximately 1,050 allegations in 2024

In 2024, the Hotline received 679 complaints, representing approximately 1,050 allegations. This is approximately 36 per cent fewer complaints than in 2023 (1,054), and 34 per cent less than in 2022 (1,032). The reduced volume of complaints is mainly attributed to a decline in the number of outside jurisdiction complaints submitted to the Hotline. Despite the decrease in the number of complaints, we continue to manage a high volume of allegations, which has remained relatively consistent over the past five years at an average of approximately 1,250 allegations per year.

Benefits of the Hotline

The Fraud and Waste Hotline Program is an important anti-fraud control for the City of Toronto and yields both quantifiable and non-quantifiable benefits. According to the Association of Certified Fraud Examiners *2024 Report to the Nations on Occupational Fraud*, organizations that had anti-fraud controls in place experienced smaller fraud losses and detected frauds more quickly than organizations lacking those controls.

One-time recoveries of \$12,000 and avoided costs over five years of \$470,000

Quantifiable benefits resulting from complaints received through the Hotline Program include one-time recoveries of approximately \$12,000 and recurring avoided costs totaling approximately \$470,000³, for a total of \$482,000 over five years.

Quantifiable benefits arising from complaints identified by divisional management and referred to the Hotline Program are not included in our savings calculations.

Investigation report issued on allegations of reprisal for reporting a conflict of interest

During 2024, we also issued an investigation report titled “*Investigation into Allegations of Reprisal for Reporting a Conflict of Interest*”. A summary of this investigation can be found in Exhibit 2 of the *Auditor General’s 2024 Annual Report on the Fraud and Waste Hotline*. By implementing the Auditor General’s two recommendations in the investigation report, the Municipal Licensing and Standards Division will strengthen the process for reporting and documenting conflicts of interest, along with training, within the Division to supplement the overarching Conflict of Interest and Confidentiality provisions.

The *Auditor General’s 2024 Annual Report on the Fraud and Waste Hotline* will be presented at the February 12, 2025 Audit Committee meeting.

³ **Recoveries** represent the amount of actual loss the City was able to recover after the fraud was identified and investigated. **Avoided Costs** represent the amount of loss that would otherwise have been incurred by the City had the fraud not been reported and investigated.

Follow-up on Implementation of Auditor General Report Recommendations



Management is responsible for ensuring recommended changes and improvements are implemented

Management is responsible for ensuring that the recommended changes and improvements from our audits, investigations, and other reports as adopted by Council are implemented. Management's actions to implement the Auditor General's recommendations result in various financial and non-financial benefits to the City, some of which are discussed in other sections of this report.

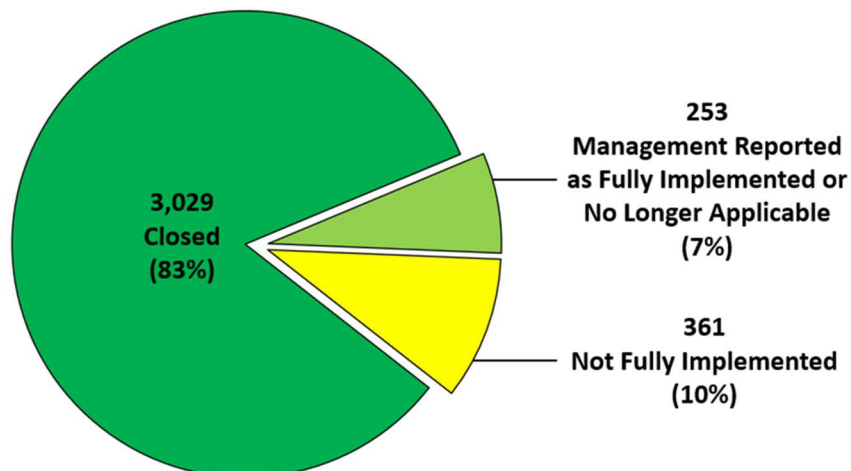
Auditor General's Office follow-up process provides accountability and transparency that management is taking action

Our Office's follow-up process provides accountability and transparency to City Council and the public by reporting on the implementation status of past recommendations made by the Auditor General. The Auditor General's Office uses an online system that allows management to provide updates on the implementation status of open audit recommendations and upload supporting documents at any time. This allows our team to manage the ongoing follow-up of recommendations and track their implementation status. For recommendations that management has reported as fully implemented or no longer applicable, management is required to provide an explanation as well as sufficient and appropriate supporting documentation. The work to verify the status of audit recommendations is performed on an ongoing basis and results are reported annually to City Council, through Audit Committee.

Report on the status of Auditor General's recommendations

Since 1999, the Auditor General has issued over 3,600 recommendations in over 400 reports. Of these, 83 per cent have been closed as of December 31, 2024⁴, as shown in **Figure 1**.

Figure 1: Status of Auditor General Recommendations Since Inception (1999) as of December 31, 2024



The Auditor General's 2024 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations, highlights noteworthy results, including financial and non-financial impacts identified during our follow-up, as well as areas where more action is needed from management to fully realize benefits and address high-priority risks to the City, agencies, and corporations.

The June 2024 follow-up report can be found at:
<https://www.torontoauditor.ca/report/auditor-generals-2024-consolidated-follow-up-report-status-of-outstanding-recommendations-for-city-divisions-agencies-and-corporations/>

Looking Ahead

The Auditor General continues to focus on verifying the status of high-priority recommendations as resources permit. Certain recommendations are considered high priority because there is a significant potential for savings, or health and safety risks, or the recommendation has been outstanding for over five years.

⁴ While management continues to make progress, the Auditor General has not yet verified all recommendations reported as implemented. Management has reported another seven per cent of recommendations have been fully implemented or are no longer relevant as at December 31, 2024, which could bring the implementation rate up to 90 per cent once management's assertions have been verified.

While the Auditor General continues to focus on the status of high-priority recommendations, this does not slow or impact management's ability or responsibility to continue taking action on all open recommendations to achieve intended operational improvements, savings and/or efficiencies.

In 2025, the Auditor General plans to follow-up on recommendations reported as fully implemented by various City divisions, agencies, and corporations including the Technology Services, Transportation Services, Toronto Shelter and Support Services, Toronto Water, Fleet Services, and Corporate Real Estate Management divisions, as well as Toronto Community Housing Corporation.

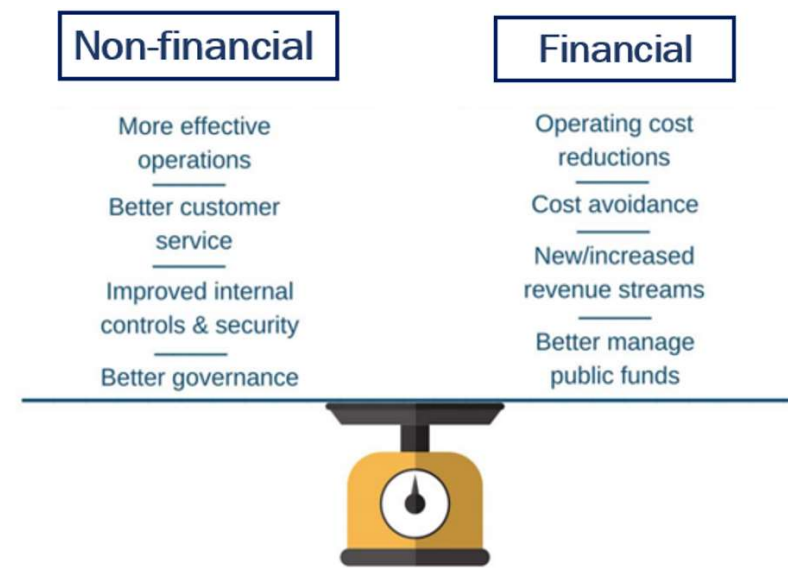
Impact of Auditor General’s Recommendations

We are required to report on savings achieved

The Toronto Municipal Code requires that we report annually to City Council on the activities of our Office, including the savings achieved.

As illustrated in **Figure 2**, effectively implementing the Auditor General’s recommendations can lead to a variety of financial and non-financial benefits. Describing these potential impacts in our reports is useful for highlighting to City Council, City administrators, and members of the public, the importance of timely action in response to recommendations.

Figure 2: Financial and Non-Financial Benefits from Implementing the Auditor General’s Recommendations



This section of the report summarizes the financial and non-financial impacts of the Auditor General’s recommendations that the City realized in 2024.

Non-Financial Benefits

Non-financial benefits from implementing recommendations

Identifying opportunities to increase cost savings and revenues is only one component of the Auditor General's mandate. Equally important are the non-financial benefits that come from the Auditor General's recommendations. These include strengthened internal controls, cybersecurity controls, improved policies and procedures and compliance with laws, regulations and by-laws, better management and use of City resources, increased operational efficiency, better customer service, and increased detection and prevention of serious safety and security issues. **Exhibit 3** includes examples of common themes from reports issued in recent years where the benefits were either non-financial in nature or could not be conservatively quantified at the time the reports were issued.

Noteworthy non-financial benefits are reported through Auditor General's follow-up process

The Auditor General reports out on noteworthy non-financial benefits of implementing recommendations in the periodic reports on the status of outstanding recommendations from the Office's audits, investigations, and other reports. Examples of non-financial benefits highlighted in the Auditor General's June 2024 Status Report on Outstanding Recommendations include:

- detection and prevention of ineligible health and dental benefit claims
- improved management of short-term and long-term disability absences to assist employees to successfully return to work
- improved controls over how the City bills and collects revenue
- enhanced business practices for reviewing applications and issuing conditional permits
- improved functionality of the TTC PRESTO fare equipment and the incident management process for fare equipment issues
- improved procedures for managing fair wage compliance and for reviewing and documenting fair wage investigations

The Auditor General's June 2024 Status Report on Outstanding Recommendations can be found at:

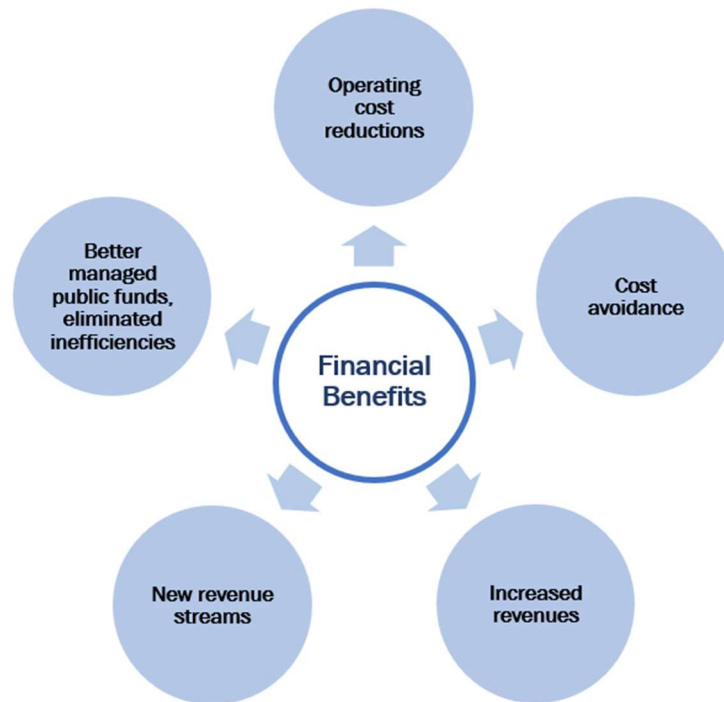
<https://www.torontoauditor.ca/report/auditor-generals-2024-consolidated-follow-up-report-status-of-outstanding-recommendations-for-city-divisions-agencies-and-corporations/>

Financial Benefits

Financial benefits from implementing recommendations

As shown in **Figure 3**, the City realizes various types of financial benefits through the implementation of our audit recommendations. These financial benefits, which we refer to as *savings* throughout this report, include cost reductions, efficiency savings, new or increased revenue streams, or future cost avoidance.

Figure 3: Types of Financial Benefits Referred to as Savings in the Auditor General's Annual Report



When Financial Benefits are Realized

Savings realized through implementation of the related recommendation

Due to the nature of our recommendations and the work that management must undertake to fully implement the recommendations, savings can be realized anywhere from immediately after the report release date up to many years later. The timing depends on factors such as scope and complexity of the recommendations, speed of implementation, and in some cases, time elapsed for impacts to become observable.

Potential savings are not included when determining ROI

While our audit, investigation, and other reports quantify potential savings from implementing our recommendations (where possible), we do not include these potential savings in determining our return on investment. Our Office's return on investment (as discussed later in this report) is calculated based on savings that have been realized, can be reasonably supported by evidence provided by management, and/or quantified after our recommendations have been implemented.

Methodology for Quantifying Financial Benefits

Underlying principles in quantifying realized savings

As illustrated in **Figure 4**, savings are quantified using the following principles:

- Savings are realized as **audit recommendations are implemented**. In some cases, the City starts to realize benefits even before the recommendation is fully implemented. In other cases, savings are quantified many months after recommendations have been implemented when the full impact of changes come to fruition.
- We recognize **one-time and annually recurring savings**. Where savings are expected to recur annually, the **savings are projected for a five-year period**, even though the potential benefit to the City will likely extend beyond a five-year period.
- We **verify and discuss savings figures with management**, and review how savings or efficiencies are **reflected in the annual budgets**.
- Savings are **net of implementation costs**, where quantifiable and appropriate.
- Savings estimates are **conservative**.

Figure 4: Auditor General's Office Methodology for Quantifying Financial Benefits



Consideration of implementation costs

In making recommendations, we are mindful of their implementation cost and benefit. Careful consideration is given to ensuring recommendations are relevant, practical, and cost-effective. In many cases, our recommendations relate to processes or controls expected in the normal course of the City's operations, and therefore should already be contemplated within the program area's budget. Where the implementation of recommendations requires extra resources, such as acquiring of new capital assets, this is factored into our calculations where the costs are quantifiable.

Divisions should first consider how to improve processes within existing staff and budget resources

It is important to note that in some cases, divisions, agencies, or corporations will request additional funding in their budgets and link them to our recommendations. Before seeking additional funding, it is our view that program areas should first look at how to improve their processes and approach within the existing budget and staff complement to efficiently deliver their mandated services.

Our Office continues to work with the City's Financial Planning Division to improve processes to clarify, for budget purposes, which impacts are linked to Auditor General recommendations.

How Financial Benefits are Reflected in City Budgets

Working with Financial Planning to improve transparency of reporting in budgets on efficiencies from Auditor General recommendations

In 2019, City Council requested the Chief Financial Officer and Treasurer to work with City divisions and agencies to identify and include in future annual budget process documents, the costs, cost reductions, and revenue increases resulting from the Auditor General's reports and recommendations⁵. We continue to work with the Financial Planning Division to improve the transparency of management's actions and the impact on outcomes. Over the last few years, we have seen some program areas including more information in their Budget Notes that describe efficiencies / revenues / savings arising from our recommendations.

References to savings in divisional budgets

The timing of when divisions, agencies, and corporations implement the recommendations, and when savings are realized, will impact whether or not they report the savings in their current-year Budget Notes. Management has been helpful in providing the information we need to estimate the impact resulting from their implementation of recommendations.

⁵ [Agenda Item History - 2019.EX2.5 \(toronto.ca\)](#), City Council decision #93

Savings recorded in prior years, or future avoided costs might not appear in a program budget

It should be noted that certain savings may have been realized in prior years, but we have not been able to verify them until the current year's follow up process. Therefore, the savings may not be highlighted in current Budget Notes as a revenue or expenditure change in the upcoming year (e.g., they may have already been incorporated in a prior year's base budget or as an in-year change). Also worth noting is that in some cases, a program area is able to avoid future costs (operating or capital) as a result of implementing certain audit recommendations. In these instances, the avoided costs also are often not reported in a program area's Budget Notes.

Table 2 (on page 35) summarizes the savings related to recommendations from prior Auditor General's recommendations that we have been able to verify as realized in 2024 and identifies how these savings were reported in program budgets, where applicable.

Return on Investment

ROI compares 5-year audit costs to cumulative 5-year estimated realized savings

Each year, our Office calculates a return on investment (ROI) based on the cumulative amount of one-time and annually recurring savings projected over a five-year period, as included in the Auditor General's Annual Reports for the most recent five years. The cumulative one-time and annually recurring savings projected over a five-year period from the five most recent Annual Reports are aggregated and compared to the five-year audit costs for the same period.

It is important to note that it is normal for the cumulative amount of one-time and annually recurring savings projected over a five-year period, as well as the return on investment to fluctuate from year to year, as these figures will depend on the timing of when management implements the recommendations and the value of the cost savings for those recommendations.

\$11 return on investment for every \$1 invested in our Office

As illustrated in **Table 1**, the City has achieved cumulative one-time and annually recurring savings projected over a five-year period totaling over \$376 million (from the 2020 to 2024 Annual Reports). The cumulative cost of operating the Auditor General's Office from 2020 to 2024 was approximately \$33.3 million. Based on these numbers, every \$1 invested in our Office from 2020 to 2024 provided a return of approximately \$11.30.

Figure 5 compares cumulative expenditures for the Office for the most recent five years to the cumulative one-time and annually recurring savings projected over a five-year period, as included in the Auditor General's Annual Reports for the most recent five years.

Table 1: Cumulative One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s), Auditor General's 2020 to 2024 Annual Reports

Year of Savings	Year of Annual Report					
	2020 (in \$000s)	2021 (in \$000s)	2022 (in \$000s)	2023 (in \$000s)	2024 (in \$000s)	Total (in \$000s)
2020	\$34,636					\$34,636
2021	\$11,046	\$90,998				\$102,044
2022	\$13,135	\$9,882	\$3,058			\$26,075
2023	\$13,511	\$9,944	\$2,922	\$42,439		\$68,816
2024	\$5,697	\$9,432	\$2,922	\$23,592	\$11,557	\$53,200
2025	\$5,697	\$9,180	\$2,379	\$19,392	\$2,570	\$39,218
2026		\$4,563	\$1,879	\$18,908	\$2,570	\$27,920
2027			\$1,454	\$18,413	\$2,570	\$22,437
2028				\$11	\$2,533	\$2,544
2029					\$10	\$10
Total	\$83,722	\$133,999	\$14,614	\$122,755	\$21,810	\$376,900

Figure 5: Five-Year Audit Costs Compared to Cumulative Savings (in \$000s) in the Auditor General's 2020 to 2024 Annual Reports



Prior Year Reports with Savings Recognized in 2024

\$21 M in one-time and annually recurring savings projected over a five-year period recognized in 2024

Table 2 itemizes the combined one-time and annually recurring savings projected over a five-year period, resulting from the implementation of recommendations from seven audit reports issued before 2024, together with the recovery of actual losses and/or projected potential losses identified through Fraud and Waste Hotline operations. The savings recognized in 2024 total over \$21 million.

Table 2: One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s) Recognized in 2024, Auditor General's Office

		One-Time/ Retro/ 2024 (in \$000s)	2025 (in \$000s)	2026 (in \$000s)	2027 (in \$000s)	2028 (in \$000s)	2029 (in \$000s)	Total (in \$000s)	Annual Report Pg #	Budget Impact See Legend
Savings Realized from Prior Year Reports										
1	Management of the City's Employee Extended Health and Dental Benefits, 2016-2017 (3 reports)	2,276	2,276	2,276	2,276	2,276		11,380	37	AC, NP
2	Management of the City's Long-Term Disability Benefits, 2015-2016 (3 reports)	3,490						3,490	38	NP, AC
3	Audit of Interface Invoice Payments: Improving Contract Management and Payment Processes, June 2019	45						45	39	IY
4	Toronto Transit Commission: Managing Telecommunication Contracts and Payments, May 2018	247	195	195	195	195		1,027	39	IMM
5	Review of Toronto Transit Commission's Revenue Operations: Phase Two - PRESTO/TTC Fare Equipment and PRESTO Revenue, October 2019	223						223	40	IY
6	Review of Urban Forestry – Permit Issuance and Tree Bylaw Enforcement Require Significant Improvement, June 2018	5,030						5,030	41	IY
7	Ensuring Value for Money for Tree Maintenance Services, April 2019 & Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit, February 2021	133						133	42	IY
Savings from Fraud & Waste Hotline Program										
	2024 Recoveries and Avoided Costs	113	99	99	99	62	10	482	23	IY / AC
Total One-time and Recurring Savings		\$11,557	\$2,570	\$2,570	\$2,570	\$2,533	\$10	\$21,810		

Legend:

CY	One-time and recurring savings are reflected in 2025 Budget Notes.
PY	One-time and recurring savings were reflected in prior year Budget Notes but were not verified by the Auditor General's Office until 2024.
IY	One-time savings were realized in-year in 2024 or earlier; therefore, they are not reflected in the 2025 Budget Notes.
OS	Savings offset other expenditures or are productivity savings (i.e., more service delivered at same cost) and the offset / efficiency is not reflected in the 2025 Budget Notes because it does not have net dollar impact to the budget.
NP	One-time and recurring savings were realized but are not reflected in the 2025 Budget Notes because the financial impact is corporate-wide (rather than to a specific division's budget) or to a non-program account.
AC	One-time and recurring savings relate to avoided costs that would otherwise have been incurred, but for implementation of our recommendation(s). Avoided costs are not reflected in the 2025 Budget Notes because they do not represent a reduction to, or an enhancement of, a base budget requirement.
IMM	Savings would not generally be reflected in the Budget Notes because of the relatively low dollar impact.

(1) Management of the City's Employee Extended Health and Dental Benefits, 2016-2017 (3 reports)

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 across three reports. The 2024 follow-up included a review of the eight remaining open recommendations from the audits.

Action taken to improve detection and prevention of ineligible claims

In closing out the remaining recommendations, the Pension, Payroll and Employee Benefits (PPEB) Division, together with its plan administrator, took a number of actions to improve the management of employee extended health and dental benefits, as highlighted in the [*Auditor General's 2024 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations*](#).

\$2.3 million annually in avoided costs related to ineligible claims

During the 2024 follow-up, we estimated that actions taken in response to the Auditor General's recommendations resulted in the City avoiding additional costs related to ineligible claims totaling at least \$2.276 million a year. These savings are over and above savings reported in previous Annual Reports of the Auditor General.

Although City-wide employee benefit costs are administered by PPEB, the cost avoidance would be incorporated into the assumptions and offsetting budget pressures impacting total salaries and benefits in each division's base budgets.

The 2016 and 2017 audit reports are available at:

<https://www.torontoauditor.ca/report/management-of-the-citys-employee-extended-health-and-dental-benefits-phase-one-the-city-needs-to-ensure-adequate-detection-and-review-of-potentially-excessive-and-unusual-drug-claims/>

<https://www.torontoauditor.ca/report/management-of-the-citys-employee-extended-health-and-dental-benefits-phase-two-ineffective-controls-and-plan-design-leaving-the-city-vulnerable-to-potential-benefit-abuse/>

<https://www.torontoauditor.ca/report/supplementary-report-to-the-auditor-generals-phase-one-report-the-city-needs-to-ensure-adequate-detection-and-review-of-potentially-excessive-and-unusual-drug-claims/>

(2) Management of the City's Long-Term Disability Benefits, 2015-2016 (3 reports)

Audit reports on management of long-term disability benefits

In 2015 and 2016, the Auditor General issued three audit reports on the City's management of long-term disability (LTD) benefits. We made recommendations to strengthen contract requirements by the City's third-party benefits administrator in their oversight of the City's LTD benefits program. Further, we identified that the City needed to explore ways to strengthen its short-term disability program to increase the chances that employees with potential health issues receive treatment and/or appropriate accommodation before progressing to long-term disability.

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

As highlighted in the [*Auditor General's 2024 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations*](#), addressing recommendations has improved how City divisions proactively manage short-term disability (STD) absences by assisting employees to successfully return to work. We noted improvements to City practices in helping employees to stay healthy and to assist employees who are on either STD or LTD leave and are ready to return to work, to successfully integrate back into the workplace.

\$3.5 million in avoided costs by improving how short- and long-term disability is managed

During the 2024 follow-up process, we estimated the City had avoided annual costs of approximately \$1.7 million annually for 2022 and 2023 by improving how STD and LTD are managed. This represents additional savings beyond what was previously reported in the Auditor General's 2021 Annual Report. We will continue to monitor this and report on any further savings.

The City's long-term disability program is overseen by PPEB. However, savings or cost avoidance would not impact divisional budgets as long-term disability is considered a non-program cost.

The 2015 and 2016 audit reports are available at:

<https://www.torontoauditor.ca/report/management-of-the-citys-long-term-disability-benefits-phase-one-improving-city-management-to-address-growing-trends-in-long-term-disability-benefits/>

<https://www.torontoauditor.ca/report/management-of-the-citys-long-term-disability-benefits-phase-two-interim-report-on-the-approval-and-monitoring-of-claims/>

<https://www.torontoauditor.ca/report/management-of-the-citys-long-term-disability-benefits-phase-two-the-need-for-a-proactive-and-holistic-approach-to-managing-employee-health-and-disability/>

(3) Audit of Interface Invoice Payments: Improving Contract Management and Payment Processes, June 2019

2019 audit of the City's interface invoice payment process

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.

Fleet Services recovered overpayments of \$45,400

As highlighted in the [*Auditor General's 2024 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations*](#), 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 in 2024. Fleet Services Division has implemented controls to prevent price and quantity variances in the future.

These are one-time, in-year recoveries and would not be included in Fleet Services' 2025 budget.

The 2019 report is available at:

<https://www.torontoauditor.ca/report/audit-of-interface-invoice-payments-improving-contract-management-and-payment-processes/>

(4) Toronto Transit Commission: Managing Telecommunication Contracts and Payments, May 2018

2018 audit of the TTC's telecommunication contracts and payments

In 2018, the Auditor General completed an audit of the TTC's telecommunication contracts and payments. The report identified 250 unused voice and data communication circuits that should be reviewed and disconnected if not needed.

Recommendation to discontinue services of unused circuits resulted in annual savings of \$195,000

As highlighted in the Auditor General's May 2024 report, [*Toronto Transit Commission 2024 Follow-up – Status of Previous Auditor General's Recommendations*](#), the TTC completed such a review and identified 60 out of 250 circuits as no longer needed. The subscription of these circuits was cancelled, resulting in savings of \$195,000 annually (or a total of \$975,000 over 5 years).

TTC trained staff to conduct more detailed invoice reviews

The audit also identified opportunities for the TTC to improve their invoice verification process for telecommunication services. The TTC has improved the process by training staff and initiating detailed verification of invoices with the vendor's contracted rates.

\$52,000 of avoided overpayments due to improved invoice verification

As highlighted in the Auditor General's May 2024 report, TTC staff avoided overpayments of \$52,000 on 17 invoices due to improved invoice verification. Overall, TTC may have prevented more overpayments because of improved verification of invoices initiated since 2021.

Due to the structure of the TTC's operating budget and the relatively low dollar impact, the cost savings are not reflected in the TTC's 2025 Budget Notes.

The 2018 audit report is available at:

<https://www.torontoauditor.ca/report/toronto-transit-commission-managing-telecommunication-contracts-and-payments/>

(5) Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, October 2019

2019 audit of the TTC's PRESTO revenue operations

In 2019, the Auditor General completed the second phase of an audit of the TTC's revenue operations. The focus of the Phase two audit report was on PRESTO/TTC fare equipment and PRESTO revenue.

New controls implemented to ensure completeness of revenues from transit period passes and ticket sales

During the audit, we found that reconciliation and validation of the completeness of revenue required strengthening. In response to the audit, the TTC and Metrolinx took steps to ensure that there were sufficient controls in place to ensure completeness of TTC's revenue, including the sales of transit period passes (e.g. monthly pass) and transit tickets (e.g. single-ride tickets).

As highlighted in the Auditor General's May 2024 report, [Toronto Transit Commission 2024 Follow-up – Status of Previous Auditor General's Recommendations](#), two new quarterly controls were implemented by Metrolinx that are designed to identify missing sales transactions of both transit period passes and transit tickets, and subsequently remit the corresponding revenue to TTC.

Cumulative total of \$223,000 in missing revenues received for the period from July 2019 to September 2024

As a result of these new controls, TTC received a total of \$223,000 from missing transit period pass and ticket sale transactions for the period from July 2019 to September 2024. We expect these controls to continue to identify missing revenues for TTC, however, the amounts received historically has varied each quarter and therefore future amounts cannot be forecasted. For this reason and also their relatively low dollar impact, the additional revenues received through these two new controls do not impact TTC's 2025 budget and therefore have not been reflected in their Budget Notes.

The 2019 audit report is available at:

<https://www.torontoauditor.ca/report/review-of-toronto-transit-commissions-revenue-operations-phase-two-presto-ttc-fare-equipment-and-presto-revenue/>

(6) Review of Urban Forestry – Permit Issuance and Tree Bylaw Enforcement Require Significant Improvement, June 2018

2018 audit identified significant tree security and guarantee deposits collected

In 2018, the Auditor General completed an audit focused on Parks, Forestry and Recreation Division - Urban Forestry branch's permit issuance and tree by-laws enforcement functions. The report highlighted that, at the time of the audit (February 2018), Urban Forestry had a balance of \$29.3 million from refundable tree security and guarantee deposits collected between 1994 and 2017, and that some of these deposits may no longer be refundable for various reasons.

Auditor General recommended identifying and following-up on unclaimed deposits

At the time of the audit, the Parks, Forestry and Recreation Division, had not conducted any comprehensive review of old, unclaimed deposits since 2008, and the Division needed a policy or process to identify and follow-up on old unclaimed deposits.

New policy and process developed in response to the audit

Following the audit, management developed a comprehensive process and policy to address old unclaimed deposits. According to the new policy, a deposit held for five years or more is considered aged. The deposit will be forfeited if efforts to contact the payee are unsuccessful after three attempts, or if it is determined that the payee is noncompliant or contravening the permitting terms and conditions.

\$5.03 million in deposits were retained as revenue from 2020 to the end of September 2024

Since April 2022, staff have proactively conducted periodic reviews of old unclaimed deposits, resulting in deposits being refunded if tree planting requirements have been satisfied or the transfer of forfeited deposits to revenue. Based on this review, over \$5.03 million in deposits were retained as revenue from 2020 to the end of September 2024. These are one-time, in-year transfers to revenue and would not be included in Parks, Forestry and Recreation's 2025 budget.

Urban Forestry continues to review the \$23 million balance in deposits as of September 2024. As part of our follow-up process, we will continue to monitor whether there are ongoing savings from the transfer of deposits to revenues.

The 2018 report is available at:

<https://www.torontoauditor.ca/report/review-of-urban-forestry-permit-issuance-and-tree-by-law-enforcement-require-significant-improvement/>

(7) Ensuring Value for Money for Tree Maintenance Services, April 2019 & Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit, February 2021

In 2019, the Auditor General completed an audit to assess the value for money of contracted tree planting and maintenance services. In 2021, a limited scope follow-up review was undertaken to assess Urban Forestry's progress toward addressing the recommendations made in the original audit. The Auditor General made additional recommendations as part of the follow-up review.

On July 1, 2023, new contracts for contracted tree planting and maintenance services went into effect.

\$133,750 in one-time fee adjustments charged back to contractors

Management indicated that, since the new contracts went into effect through October 2024, they have charged contractors back for one-time fee adjustments of \$133,750 due to instances where vendors failed to meet service level expectations. Reasons for fee adjustments include work packages not completed on time, Forestry Performance Inspection (FPIR) compliance failures, and not submitting weekly crew complements on time. These are one-time, in-year adjustments and would not be included in Parks, Forestry and Recreation's 2025 budget.

Potential financial benefits continue to be reviewed and quantified as part of ongoing follow-up of Auditor General's recommendations

Additionally, the [*2025 Capital and Operating Budget Notes – Parks, Forestry and Recreation, Urban Forestry*](#) highlighted that “As a result of contract, technology, and operational improvements, driven by Auditor General recommendations, compliance with service standards has increased by 50% over the last 3 years reducing the backlog of tree maintenance work orders”. The Auditor General's Office will continue to review and quantify the potential financial benefits of these efficiencies as part of our ongoing follow-up of recommendations.

The 2019 report and 2021 follow-up report are available at:
<https://www.torontoauditor.ca/report/review-of-urban-forestry-ensuring-value-for-money-for-tree-maintenance-services/>

<https://www.torontoauditor.ca/report/getting-to-the-root-of-the-issues-a-follow-up-to-the-2019-tree-maintenance-services-audit/>

Leaders in our Profession

Highest rating on the Office's external quality assurance review, January 1, 2021 through December 31, 2023

Auditor General's Office received the highest rating on external peer review

In 2024, an international peer review team from the Association of Local Government Auditors (ALGA) completed an external quality assurance review of our Office. Our Office received the highest rating, an unqualified "pass" opinion – the seventh time the Office has received this rating.



Empowering staff who enjoy their work and make a difference for the City

During the review, the peer review team also provided verbal comments to recognize areas where our Office excels, including:

- acknowledging how our system and working paper files are set up very well to mirror the standards, which supports our staff in performing high quality audits in accordance with Government Auditing Standards;
- recognizing that we empower our staff through a good mix of both technical and soft skills training, as well as through our mentorship program; and
- providing feedback from their staff interviews that our staff enjoy their work and making a difference for the City, which the peer reviewers noted was a testament to the leadership of our Office.

The results of the External Quality Assurance Review can be found at: <https://www.toronto.ca/legdocs/mmis/2024/au/bgrd/backgroundfile-249091.pdf>

Sharing expertise and learning from mutual experiences

We pride ourselves on being leaders in our industry and are regularly invited to share our expertise, office practices, and learnings from audits and investigations. For example, in 2024,

- The Auditor General was invited to be the keynote speaker at the 2024 Women in Leadership Conference⁶ on the topic of “*Building and Leading Effective Teams*”. The presentation focused on how effective teams in the workplace can lead to increased productivity, innovation, and revenue, as well as achieving goals more effectively.



- Staff from our Office were invited to present at the Municipal Internal Auditors Association’s Fall Conference on *Audit of Short-Term Rental Program and Municipal Accommodation Tax – Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes*. This presentation shared findings and recommendations from our 2024 audit of the City’s Short-Term Rental Program.



⁶ The 15th edition “Women in Leadership Are you making a difference?” conference series was organized by Femmes De Carrière En Interaction - Career Women Interaction (FCI-CWI)

Engaging with our counterparts around the world

We also regularly engage with our counterparts from other jurisdictions in Canada and around the world, making valuable contributions to foster the growth of the profession. For example, in 2024,

Mentoring of two international fellows placed with the Toronto Auditor General's Office

- The Auditor General's Office welcomed two international fellows as part of the Canadian Audit and Accountability Foundation's (CAAF) fellowship program. This is the first time a municipal Auditor General's Office has participated in the program. The two fellows, from Vietnam and South Korea, were placed with our Office (including three months in-person) to develop the skills, knowledge, and experience needed to become leaders in their home offices' performance audit departments. While with our Office, the fellows contributed to audit teams, learned from our offices' practices, and developed an audit plan or special project with guidance from Tara Anderson, Auditor General, Ariane Chan, Assistant Auditor General, and their Canadian mentors in the Auditor General's Office, Cindy Li, Audit Manager and Daniel Du, Audit Manager. The Fellows have returned home to implement their project and apply their new skills in their own office.



Sharing our processes and practices with international fellows from Senegal, Guyana, Rwanda, Vietnam, and South Korea

- The Auditor General's Office was visited by the Canadian Audit and Accountability Foundation's international fellows from Senegal, Guyana, Rwanda, Vietnam, and South Korea. We shared an overview of our office and our performance audit process, highlights from last year's Annual Report, how we select audits for our Work Plan and key areas of focus, and information on our Fraud and Waste Hotline.



Connecting and sharing with other Canadian Auditors General

- Our Auditor General has also taken the lead to begin regular meetings with other Auditors General of municipalities across Canada, including Halifax, Sherbrooke, Ottawa, Hamilton, Sudbury, Winnipeg, Saskatoon, Calgary, Edmonton, and Vancouver, to share lessons learned and expertise with each other, and to start building a stronger municipal network of Auditors General. She also has regular and ad hoc one-on-one meetings with many of these Auditors General.

Serving on industry committees and boards

Staff from our Office also serve as active members on various local government audit industry committees and boards that foster the growth of the profession, including the:

- Association of Local Government Auditors Digital Strategy Committee and Peer Review Committee, including serving as a judge for ALGA's Knighton Awards, which are designed to recognize outstanding performance audits and to help recognize excellence in local government auditing
- Municipal Internal Auditors Association Executive Board which facilitates training, networking with other industry peers, and information-sharing events for its members from approximately 40 audit organizations and more than 250 auditors from municipalities, school boards and police services across Canada
- Institute of Internal Auditors (IIA) Toronto Chapter Executive Officer team, promoting membership and certification in the field of internal audit. The Toronto IIA Chapter is one of oldest and largest in the world with over 3,000 auditors from the Greater Toronto Area, as well as other parts of Ontario

Giving back to our community

The Auditor General's Office also strives to make a positive difference in the lives of Torontonians by donating time and resources to support our community. In 2024, our Office participated in the Colleagues Assisting in Providing Essentials (CAPE) Food & Clothing Donation Drive. During the month of November 2024, we collected a total of 501 donation items, consisting of food, winter clothing and school supplies. At the end of the campaign, CAPE donated to 61 beneficiaries including 55 city-operated shelters. Our Office also participated in the City's United Way campaign, with funds raised for the annual Civic Run and through payroll pledges in support of United Way's work.



2025 and Beyond

Bringing value through our independent and objective lens

The Auditor General will continue to bring value to City Council by examining City operations with an independent and objective lens and delivering projects that can result in impactful findings and recommendations to the City. The audits and investigations we completed in 2024 are listed in **Exhibit 2**.

Looking forward to 2025 and beyond, the Auditor General's Office will continue to deliver audits in high priority areas while balancing new requests from City Council, as well as investigations into allegations of fraud, waste, or other wrongdoing, that, if not addressed, may present high risks to the City. Planned audits in the 2025 Work Plan⁷ and those on our horizon are summarized in **Figure 6**.

Figure 6: Auditor General's Office 2025 Work Plan

Audit Work Plan (2025)	Audit Horizon (2026)
<p><u>Agencies and Corporations</u></p> <ul style="list-style-type: none"> • Toronto Transit Commission – Non-union Workforce Planning and Management • Toronto Police Service – Cybersecurity Follow-up of Prior Recommendations • Toronto Police Service – IT Governance / Infrastructure • Toronto Community Housing Corporation and Toronto Seniors Housing Corporation – Capital Planning and Delivery • Toronto Public Library – Cybersecurity Assessment • Selected Agency or Corporation – Overall Network Security and Cybersecurity Assessment of Select Critical Systems <p><u>City Divisions</u></p> <ul style="list-style-type: none"> • Parks, Forestry and Recreation – Parks Operational Review (Phase 2) • Shelter, Support & Housing Administration – Winter Respite Sites and Warming Centres for People Experiencing Homelessness • Purchasing and Materials Management – Low Dollar Value Purchases, Pcard Usage and Payments • Transportation Services – Utility Cuts • FIFA World Cup 2026 Secretariat – Audit of Maple Leaf Sports & Entertainment (MLSE) Contract – FIFA World Cup 2026 • Toronto Water – Stormwater Asset Management • Housing Secretariat – Supportive Housing • Corporate Real Estate Management – Major Capital Project • Solid Waste Management Services – Contract Management of Collections and Litter Operations • City-wide – Purchase Order Amendments • Administrative Penalty System – Parking Ticket Fines 	<p><u>Agencies and Corporations</u></p> <ul style="list-style-type: none"> • Toronto Transit Commission – Electric Buses • Toronto Transit Commission – Subway Maintenance • Toronto Police Service – Special Events / Paid Duty • Toronto Zoo – Cybersecurity Assessment • Selected Agency or Corporation – Cybersecurity Assessment <p><u>City Divisions</u></p> <ul style="list-style-type: none"> • Housing Secretariat – Affordable Rental Housing • Transportation Services – Road Maintenance • City Planning – Operational Review of Development Applications • Parks, Forestry & Recreation – Electric Ferries • City-wide – Use of Consultants • City-wide – Cybersecurity Risk of Third-Party Shared Services • City-wide – Hardware Asset Utilization and Data Centers Management

⁷ The [Auditor General's Office 2025 Work Plan and Budget Highlights](#) was adopted by City Council on December 17, 2024.

Conclusion

\$11 return on investment for every \$1 invested in our Office

Our office continues to provide benefits to the City, both financial and non-financial. The City has achieved cumulative one-time and annually recurring savings projected over a five-year period totaling over \$376 million (as reported in the Auditor General's 2020 to 2024 Annual Reports). The cumulative expenditures of our Office for the same five-year period (i.e., 2020 to 2024) is approximately \$33.3 million. Based on these numbers, every \$1 invested in our Office from 2020 to 2024 provided a return of approximately \$11.

Looking forward

Looking forward, our Office aims to continue to add value (including significant savings) to the City, make a positive difference in the lives of Torontonians through improved outcomes from our report recommendations, while taking an approach that helps to build relationships with auditees and stakeholders in a respectful manner.

Thank You

As always, we express our gratitude to City staff and management, including those from the City's agencies and corporations, for their cooperation, input, and willingness to take actions on the Auditor General's recommendations. We look forward to continuing to work together to help make a positive difference.

Exhibit 1: Mandated Responsibilities of the Auditor General

Under Section 178(1) of the *City of Toronto Act, 2006* (the Act), the Auditor General is “responsible for assisting City Council in holding itself and City administrators accountable for the quality of stewardship over public funds and for achieving value for money in City operations.”

The Auditor General assists City Council by providing independent assessments of the quality of stewardship over public funds and whether value for money is being achieved in operations by conducting performance audits; cybersecurity, financial, operational and compliance audits and reviews; and forensic investigations, of City divisions and certain City agencies and corporations. The Auditor General also follows up on recommendations from previous reports.

The Auditor General's legislated responsibilities, powers and duties established in Section 178 of the Act are reinforced by Chapter 3 of the Toronto Municipal Code which sets out the Auditor General's specific responsibilities including:

- reporting to City Council on annual Office activities, including savings achieved
- undertaking audit projects identified by the Auditor General, or approved by a two-thirds majority resolution of City Council including performance, financial and compliance audits of City divisions, certain local boards, and City-controlled corporations. The Auditor General can also conduct audits, upon request by the Toronto Police Services Board, the Toronto Public Library Board, and the Toronto Board of Health

The Disclosure of Wrongdoing and Reprisal Protection framework set out in Chapter 192 of the Toronto Municipal Code also reinforces the Auditor General's provincially mandated responsibilities, powers, and duties established under Section 178 of the Act related to the safeguarding of public funds and ensuring value for money, by requiring the Auditor General's independent oversight in the investigation of reported wrongdoing. The Auditor General's independent oversight role includes:

- operating the Fraud and Waste Hotline Program, including referring issues to divisional management
- conducting investigations into allegations of fraud and other wrongdoing, as well as reprisal against employees under the City's disclosure of wrongdoing and reprisal protection rules

In accordance with the audit framework approved by City Council in 2002 (when the Office was established), the Auditor General's Office also performs the following duties:

- monitoring and coordinating with the external auditors performing financial statement audits of the City and the City's agencies and corporations
- following up on recommendations from previous audit reports
- coordinating audit activities with the City's Internal Audit Division to ensure the efficient and effective use of audit resources
- coordinating audit activities with internal auditors of the City's agencies and corporations
- coordinating activities with the City's three other Accountability Officers: the Ombudsman, the Lobbyist Registrar and the Integrity Commissioner

Exhibit 2: Reports Issued in 2024

2024 Audit, Investigation, Cybersecurity and Other Reports:

1. Toronto Building Division: Audit of **Intake and Plan Review of Applications for Building Permits**, February 2024
2. **Investigation** into Allegations of **Reprisal for Reporting a Conflict Interest**, June 2024
3. Audit of **Short-Term Rental Program and Municipal Accommodation Tax**: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes, June 2024
4. **Toronto Paramedic Services – Rising Response Times** Caused by Staffing Challenges and Pressures in the Healthcare System, June 2024
5. **Cybersecurity Audit of Toronto Community Housing and Toronto Seniors Housing Corporations – Phase One: Overall Network Security and Cybersecurity Assessment of Select Critical Systems**, July 2024
6. **Cybersecurity Audit of Toronto Hydro: Overall Network Security and Cybersecurity Assessment of Select Critical Systems**, August 2024
7. **Cybersecurity Audit of Toronto Community Housing and Toronto Seniors Housing Corporations – Phase Two: User Access Management and Event Logging**, September 2024
8. Reinforcing the Importance of Openness, Fairness and Transparency in **City Procurement: An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal**, September 2024
9. Audit of **Parks Branch Operations – Phase One: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe**, September 2024
10. Audit of **Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences**, December 2024

2024 Recommendation Follow-up Reports:

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

- including the report to the Board of Toronto Transit Commission on the **Toronto Transit Commission Follow-up – Status of Previous Auditor General's Recommendations**, May 2024

Exhibit 3: How Auditor General's Recommendations Benefit the City

The following table provides examples of how our audits lead to non-financial or non-quantifiable benefits to the City.

Common Theme: Non-Financial Benefit	Report
<p>Strengthening accountability and delivering on objectives and expected outcomes</p> <p>(e.g., supporting achievement of City priorities like providing quality, safe, affordable housing to households in need; enhancing the effectiveness of how those in need of housing assistance are served)</p>	<ul style="list-style-type: none"> • Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System (2024) • Toronto Police Service – Audit of 9-1-1 Public Safety Answering Point Operations (2022) • Review of Toronto Police Service – Opportunities to Support More Effective Responses to Calls for Service (2022) • Part 1 of the Audit of Emergency Shelters: A Focus on Case Management (2022) • Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations (2022) • Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program (2020)
<p>Improving effectiveness and efficiency of program delivery</p> <p>Improving policies and processes to support more consistent and effective service delivery and achievement of service levels</p> <p>Improving efficiency of processes by leveraging technology</p> <p>More effective and efficient operations and/or use of resources</p>	<ul style="list-style-type: none"> • Audit of Parks Branch Operations – Phase One: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe (2024) • Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes (2024) • Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System (2024) • Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits (2024) • Building Better Outcomes – Audit of Toronto Building's Inspection Function (2023) • Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays (2023) • Toronto Police Service – Audit of 9-1-1 Public Safety Answering Point Operations (2022) • Review of Toronto Police Service – Opportunities to Support More Effective Responses to Calls for Service (2022) • Winter Road Maintenance Program – Phase 2 Analysis: Deploying Resources (2021)

Common Theme: Non-Financial Benefit	Report
<p>Strengthening project planning and project management processes and controls to support transparency, identify and address projects risks, and ensure accountability for project delivery on budget and on time</p>	<ul style="list-style-type: none"> • Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal (2024) • City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs (2023) • Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects (2023)
<p>Improving contract design and contract management controls</p> <p>Improving monitoring and oversight of contractors</p>	<ul style="list-style-type: none"> • Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences (2024) • Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal (2024) • Winter Maintenance Program Follow-Up: Status of Previous Auditor General's Recommendations and Processes to Hold Contractors Accountable to New Contract Terms (2023) • A Review of the Procurement and Award of the Winter Maintenance Performance-Based Contracts (2023) • Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services (2022) • Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit (2021) • Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes (2020)

Common Theme: Non-Financial Benefit	Report
<p>Strengthening financial and administrative controls over invoicing and payments to help ensure the City is receiving value for money</p>	<ul style="list-style-type: none"> • Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes (2024) • Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations (2022) • Challenges in Contract Management - Auditor General's Review of the Corporate Real Estate Management Division (2021) • Toronto Business Improvement Areas (BIAs) Accounts Payable Fraud Investigation (2021) • Employee Health Benefits Fraud Involving a Medical Spa (2020) • Continuous Controls Monitoring Program: Opportunities to Reduce Cost of Dental Benefits (2020)
<p>Improving the safety and security of City assets</p> <p>Strengthening controls that help to protect the City and its agencies and corporations in the event of a cyber attack</p>	<ul style="list-style-type: none"> • Cybersecurity Audit of Toronto Community Housing and Toronto Seniors Housing Corporations – Phase One: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2024) and Phase Two: User Access Management and Event Logging (2024) • Cybersecurity Audit of Toronto Hydro: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2024) • Toronto Transit Commission Cybersecurity Audit - Phase 1: Critical IT Assets and User Access Management (2022) and Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2023) • Cybersecurity Review: Open-Source Internet Data Intelligence Review (2022) • Auditor General's Cybersecurity Review: Toronto Fire Services Critical Systems Review (2021) and Phase 2 (2022) • Toronto Police Service Information Technology (IT) Infrastructure: Cyber Security Assessment Phase 1 (2021) • Cybersecurity Incidents at the City and its Agencies and Corporations: Integrated Incident Response Plan is Needed (2021) • Toronto Water Supervisory Control and Data Acquisition (SCADA) System Security: Results of the Follow-Up of Previous Audit Recommendations (2021/2) and Cyber Safety - Critical Infrastructure Systems: Toronto Water SCADA System (2020)

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