

Auditor General's 2025 Consolidated Follow-up Report

Status of Outstanding Recommendations for City Divisions, Agencies and Corporations

July 2, 2025

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

**AUDITOR
GENERAL**

TORONTO

Table of Contents

Executive Summary	4
2025 Follow-up Cycle Results	11
Noteworthy Results	18
Corporate Services	18
Corporate Real Estate Management.....	18
Audit of City Cleaning Services, 2016	18
Restore Focus on Union Station Leasing, 2017	19
Fleet Services	21
Management of the City's Fleet Operations, 2019	21
Environment, Climate and Forestry.....	24
Permit Issuance and Tree Bylaw Enforcement, 2018.....	24
Urban Forestry Tree Maintenance Services, 2019 and 2021	25
Technology Services Division.....	26
Office of the Chief Information Security Officer.....	26
Cybersecurity Reports – 2016 to 2022	27
Controls Over Telecommunication Expenses Need Improvement, 2014	29
Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects, 2023.....	30
Infrastructure Services	31
Solid Waste Management Services	31
Green Lane Landfill Operations – Management of Contracts Needs Improvement, 2018....	31
Transportation Services	32
Installation and Maintenance of Traffic Signs Contract – Follow up on Complaints Received, 2022	32
Toronto Water	34
Improving the Effectiveness of the Basement Flooding Protection Subsidy Program, 2017 .	34
Municipal Licensing and Standards.....	35
Investigation Services Unit – Efficiencies Through Enhanced Oversight, 2012.....	35
Finance and Treasury Services	36
Revenue Services.....	36
Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue, 2016.....	36
Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes, 2015....	37
Community and Emergency Services	38

Toronto Shelter and Support Services	38
Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022 .	38
Conclusion	44
Exhibit 1: Results of Toronto Auditor General’s 2025 Consolidated Follow-up Review	45
Exhibit 2: Status of Outstanding Recommendations in Auditor General Reports as of April 30, 2025	50
Exhibit 3: Aging of High Priority Not Fully Implemented Recommendations.....	64
Exhibit 4: Auditor General’s Follow-Up Process	65

Executive Summary

Why the follow-up process matters

The Auditor General follows up on the implementation status of outstanding recommendations from her audits, investigations, and other reports. The purpose of the follow-up is to verify that the Auditor General's recommendations are fully implemented and that the intended benefits are achieved.

The follow-up process provides accountability and transparency for City Council and the public, by reporting on the implementation status of reported recommendations. The Auditor General's follow-up process is described in further detail in **Exhibit 4**.

City division recommendations results included in this report

This report provides a consolidated summary of the status of recommendations issued by the Auditor General to City Divisions, Agencies, and Corporations. The report focuses on the results of the recommendations selected by the Auditor General for review during the period from May 1, 2024 to April 30, 2025.

Given the importance of the Winter Maintenance Program and additional work requested by City Council after the February 2025 snowstorm, the follow-up results for the Winter Maintenance Program are being reported separately at the July 11, 2025 Audit Committee meeting.

Due to the timing of Agency and Corporation Board meetings, the follow-up results for Toronto Community Housing Corporation and Toronto Police Service will be reported separately to their respective Boards in July 2025 and provided to the City's Audit Committee at its next meeting on November 5, 2025.

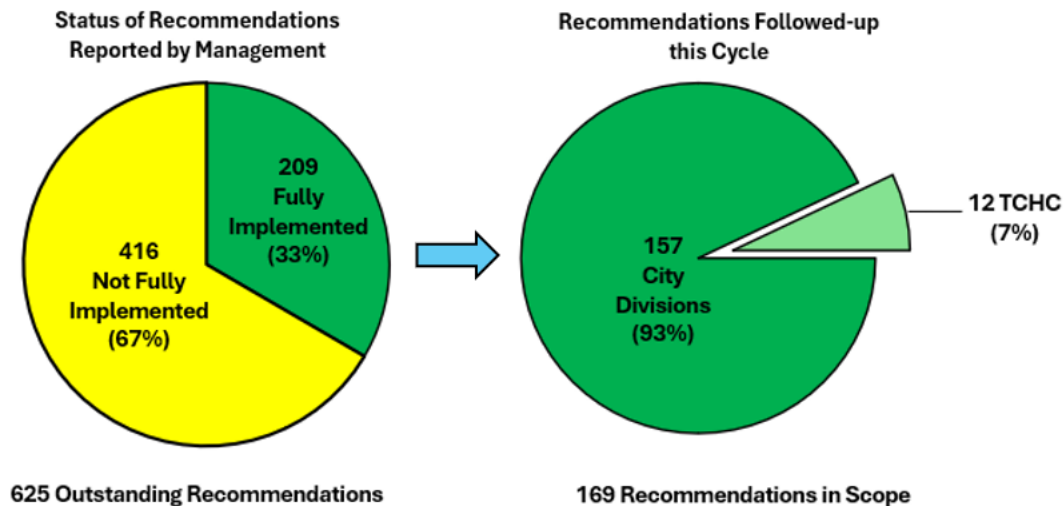
At the beginning of this follow-up cycle on May 1, 2024, there were 625 open recommendations for City divisions, agencies and corporations (**Figure 1**). These included 209 recommendations reported as fully implemented by management – 155 recommendations reported at the beginning of the follow-up cycle, and 54 while we performed the follow-up work.

157 City division recommendations selected for follow-up

A total of 169 recommendations (157 for City divisions and 12 for Toronto Community Housing Corporation (TCHC)) were selected for review from the 209 recommendations reported as fully implemented by management. We also followed up on our 2021 cybersecurity assessment report of the Toronto Police Service (TPS), however, those recommendations are not included in **Figure 1** due to confidentiality.

We focused on high-priority recommendations. High-priority recommendations have significant potential for savings, mitigate health, safety, and other significant risks, or have been outstanding for over five years.

Figure 1: Recommendations Reported as Fully Implemented and Selected for Review¹



Focused on 120 high-priority recommendations

The 157 City recommendations selected for review were from 45 Auditor General reports and the remaining 12 recommendations were from two audit reports issued to TCHC. In total we reviewed 120 high-priority recommendations that management reported as fully implemented. These reports mostly relate to the following City divisions:

Corporate Services

- Corporate Real Estate Management
- Fleet Services
- Environment, Climate and Forestry
- Technology Services

Infrastructure Services

- Solid Waste Management Services
- Transportation Services
- Toronto Water
- Municipal Licensing and Standards

Finance and Treasury Services

- Revenue Services

Community and Emergency Services

- Toronto Shelter and Support Services

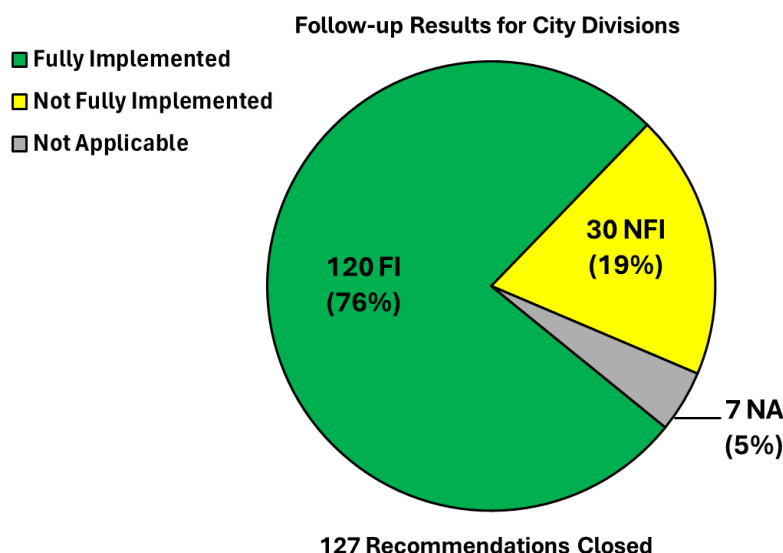
¹ The 209 fully implemented recommendations reported by management, consists of a small per centage (about 5 per cent) that are no longer applicable. The figures in these graphs do not include the Toronto Police Service recommendations followed up in this follow-up cycle due to confidentiality.

127 recommendations were closed in this follow-up cycle; 81% overall

From the 157 City recommendations we selected for review, 120 were determined as fully implemented (FI) and seven as no longer applicable. We determined 30 as not fully implemented (NFI), and of these, 14 were high priority. We also made three new recommendations for Transportation Services.²

Figure 2 below summarizes the results of City division recommendations included in this follow-up cycle.

Figure 2: Assessment of Recommendations in Auditor General's 2025 Follow-up Review



As shown in **Figure 2**, 81 per cent of the recommendations we followed up for City divisions have now been closed (as fully implemented or no longer applicable) and 19 per cent represent the difference between management's assessment and our conclusion.

The majority of the differences for not fully implemented recommendations were from six audit reports for three divisions³. It is important to note that management continues to make progress on addressing outstanding recommendations. Recommendations closed in the follow-up system are not included in future follow-up reviews.

² The three new recommendations are included in the separate Transportation Services follow-up report on the Winter Maintenance Program.

³ The majority of the differences for not fully implemented recommendations were from three divisions – Transportation Services (9 recommendations from 2 reports – results reported separately), Corporate Real Estate Management (7 recommendations from 2 reports), and Toronto Shelter and Support Services (7 recommendations from 2 reports).

Noteworthy results and management actions are highlighted in this report under the **“Noteworthy Results”** section. A list of the Auditor General’s reports and assessment results for recommendations reviewed in this follow-up cycle are provided in **Exhibit 1**. Publicly reported recommendations assessed in this cycle for City divisions are listed in **Attachment 2**⁴ and confidential recommendations and report highlights are included in **Confidential Attachment 1**.

Benefits from Implementing the Auditor General’s Recommendations

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

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

For every dollar invested in the Auditor General’s Office, there was a return of about \$11

The total cumulative 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. The Auditor General’s 2024 Annual Report is available at:

[Auditor General's 2024 Annual Report Demonstrating the Value of the Auditor General's Office](#)

New savings identified from this follow-up cycle of approximately \$37 million will be included in the Auditor General’s 2025 Annual Report.

Overall City-wide Status of Auditor General Recommendations

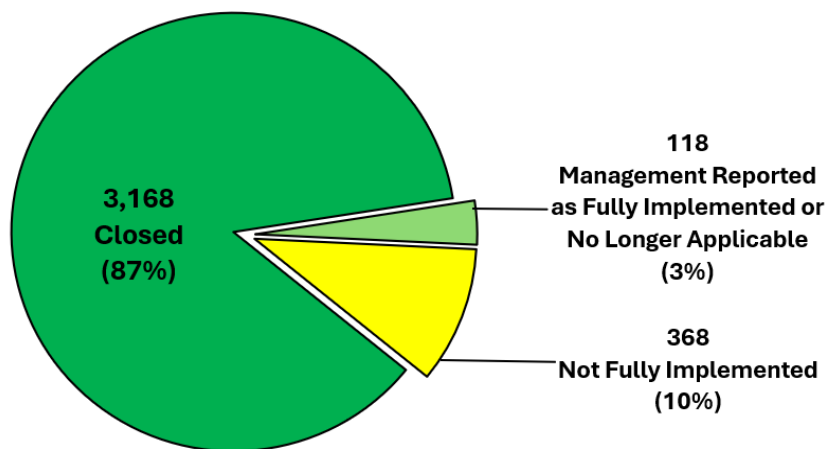
87% of recommendations have been closed since 1999

Since 1999, the Auditor General has made 3,654 recommendations in 420 reports. Of these, 3,168 (87 per cent) recommendations are closed.

At the end of this follow-up cycle on April 30, 2025, there were 118 recommendations (74 for City divisions, 44 for Agencies & Corporations) that management reported as fully implemented and have not yet been verified by the Auditor General. These recommendations are listed in **Attachment 3 and Confidential Attachment 1** (Confidential recommendations) and will be included in future follow-up cycles.

⁴ Attachment 2 includes the results of the assessment of City division recommendations along with management comments for those recommendations that were determined as not fully implemented.

Figure 3: Status of Auditor General Recommendations Since Inception (1999) as of April 30, 2025



The Auditor General continues to focus on verifying the status of high-priority recommendations. **Figure 3** above illustrates the status of all recommendations issued since 1999. Recent reports issued between June 2024 and February 2025 are not included in the current follow-up process to give management time to fully implement the recommendations⁵. These will be included in future follow-up cycles.

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

As of April 30, 2025, there were over 100 Auditor General reports containing at least one or more outstanding recommendations that have not been closed.

Recommendations are considered outstanding when:

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

⁵ Figure 3 and the overall statistics provided in the report do not include any recommendations from reports issued between June 2024 to February 2025, nor do they include any management letter recommendations.

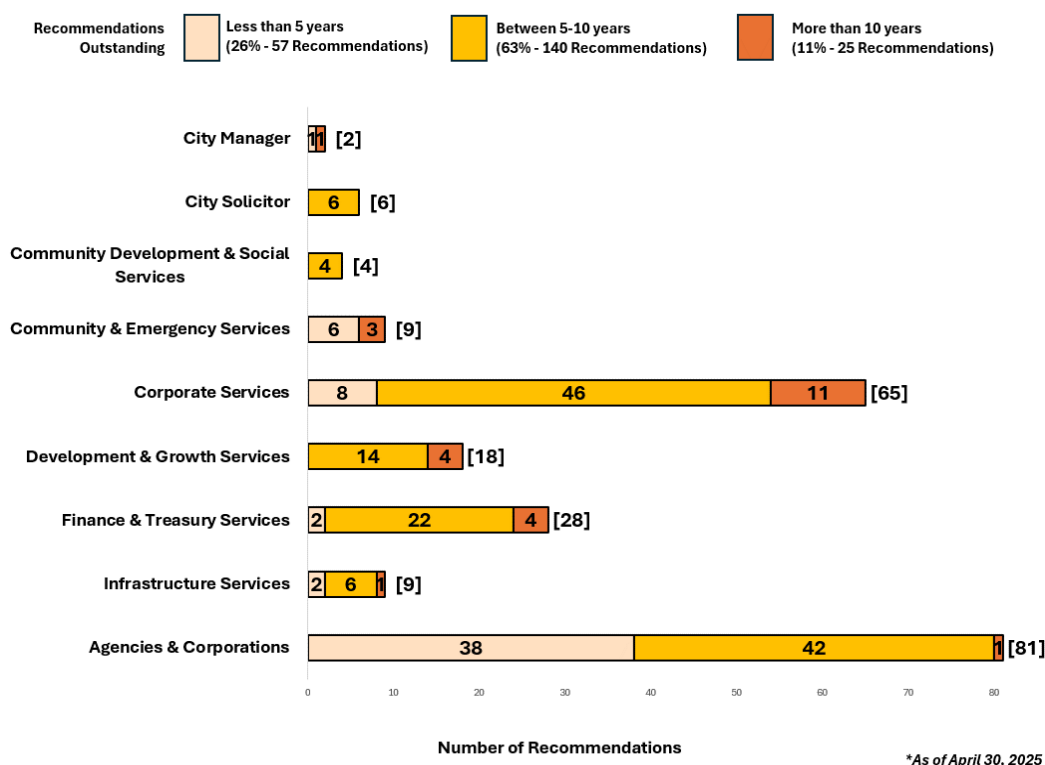
222 high priority recommendations to be expedited; 165 outstanding over 5 years

At the end of the 2025 follow-up cycle there are a total of 368⁶ recommendations not fully implemented for City divisions, agencies and corporations. These include 222 high priority recommendations, of which 165 are outstanding over five years, and management should expedite their implementation.

High-priority recommendations have significant potential for savings, mitigate health, safety, or other significant risks, or have been outstanding for over five years.

Benefits are realized sooner when management acts promptly to implement Auditor General recommendations. **Exhibit 3** provides a summary of high-priority recommendations that are not fully implemented. An overview of the age of high priority recommendations that are not fully implemented as of April 30, 2025, is provided below in **Figure 4**.

Figure 4: Aging of High Priority Recommendations Not Fully Implemented as of April 30, 2025⁷



⁶ The 368 not fully implemented recommendations at the end of the follow-up cycle include 30 in-scope recommendations assessed as not fully implemented, 14 of these 30 recommendations are high priority. Exhibit 3 does not include in-scope recommendations which were concluded as not fully implemented at the end of this follow-up cycle.

⁷ The agencies and corporations are Toronto Community Housing Corporation, Toronto Police Service and Toronto Transit Commission.

Some recommendations may require more time than others to implement

We acknowledge that some audit recommendations may require more time than others to implement. Overall, management has made good progress in closing and addressing recommendations in many areas across the City. There are certain recommendations that require City-wide implementation and continue to be challenging for divisions to implement, impacting mainly Corporate Services (Corporate Real Estate Management and Technology Services Division). The City Manager's Office can assist in implementing these recommendations through centralized oversight and directives to divisions.

In this follow-up cycle we noted an increased focus from the City Manager's Office and senior management to close outstanding recommendations, particularly high priority, older outstanding recommendations. This focus needs to continue - of the 222 high priority outstanding recommendations, there are 25 outstanding for more than 10 years and 140 outstanding between five to 10 years.

Management can request support from Internal Audit

The City Manager also requested the City's Internal Audit Division to have a more proactive leadership role in providing support and assisting divisions in reviewing management's assessment of the status of recommendations before validation by the Auditor General's Office.

The goal of Internal Audit's support to divisions for the follow-up is to help management and staff:

- understand the supporting documentation required to demonstrate a recommendation as fully implemented,
- expedite implementing outstanding recommendations, particularly those long outstanding; and,
- decrease the percentage of recommendations assessed by management as fully implemented but assessed as not fully implemented by the Auditor General's Office.

The Internal Audit Division's guidelines which outline their supportive role to management, are available internally to divisions on the City's intranet site.

Thank you to management and staff for their assistance

We would like to express our appreciation for the co-operation and assistance we received from management and staff of the various City divisions, agencies and corporations who assisted in completing this follow-up process. We also thank the City Manager's Office and Internal Audit for providing their assistance to the divisions.

2025 Follow-up Cycle Results

At the beginning of this follow-up cycle on May 1, 2024, there were 625 outstanding recommendations. Management reported 209 of these recommendations as fully implemented or no longer applicable (**Figure 1**).

City Divisions

**157 City
recommendations
selected for review**

We reviewed 157 recommendations made to City divisions during this follow-up cycle. Given the importance of the three Auditor General reports on the Winter Maintenance Program and additional work requested by City Council after the February 2025 snowstorm, the follow-up results of the 19 winter maintenance program recommendations reported by Transportation Services as fully implemented are reported on separately.

The Auditor General's three reports are available at:

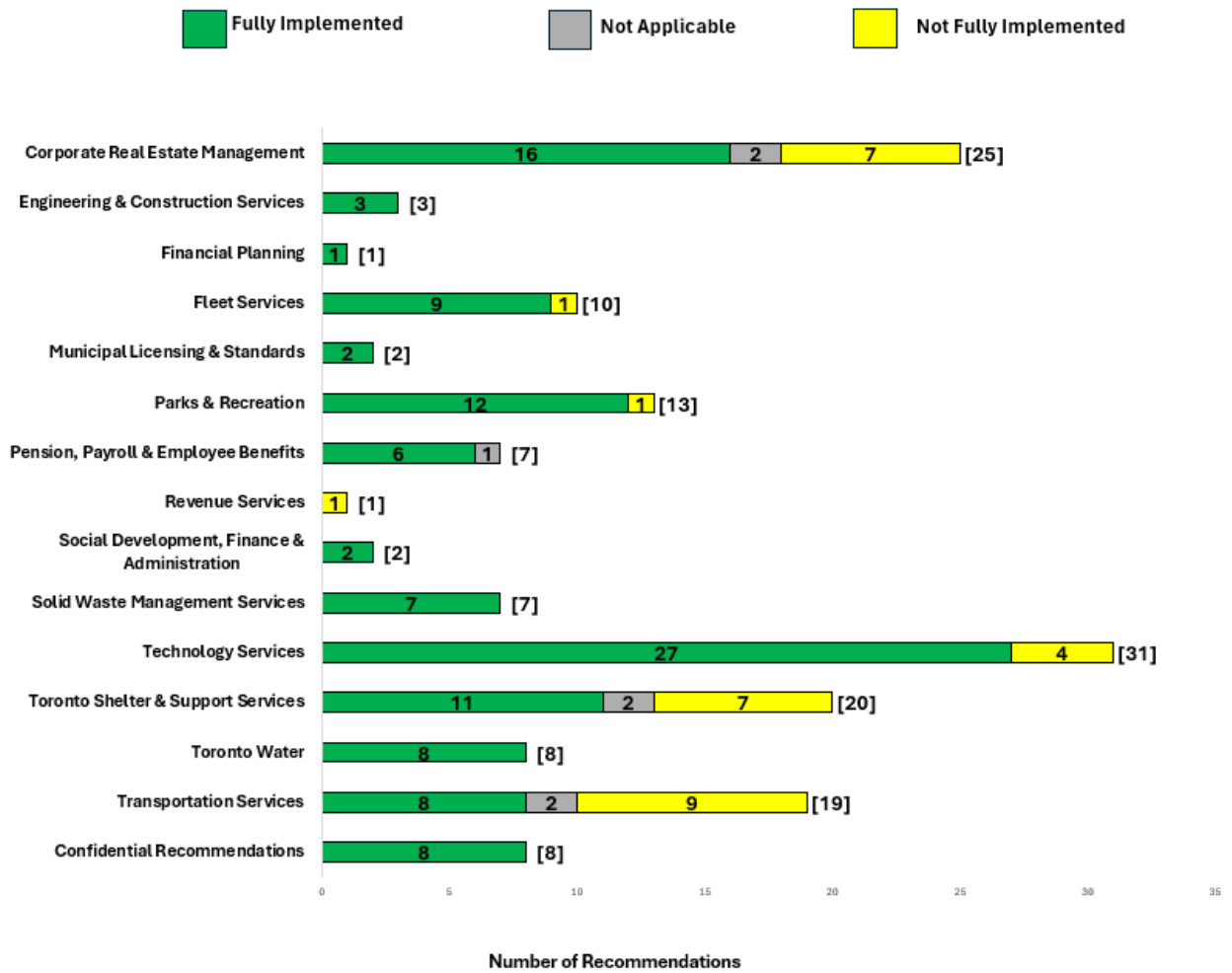
1. [Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes, 2020](#)
2. [Winter Road Maintenance Program – Phase 2 Analysis: Deploying Resources, 2021](#)
3. [Winter Maintenance Program Follow-Up: Status of Previous Auditor General's Recommendations and Processes to Hold Contractors Accountable to New Contract Terms, 2023](#)

The report on this follow-up work is available at:
<https://secure.toronto.ca/council/agenda-item.do?item=2025.AU9.6>

**Follow-up results of 19
recommendations for the
Winter Maintenance
Program are separately
reported**

The results of our assessments for each division are summarized below in **Figure 5**. A summary of the audit reports and recommendations included in this follow-up cycle is provided in **Exhibit 1**. Each publicly reported recommendation assessed in this cycle is listed in **Attachment 2** and the confidential recommendations and highlights are included in **Confidential Attachment 1**.

Figure 5: Follow-up Results for Selected City Divisions



**As of April 30, 2025*

Agency follow-up results will be reported to their respective Boards in July 2025

Agencies and Corporations

The Auditor General is also reporting the follow-up results of the following agencies and corporations separately:

TCHC Reports:

1. [Moving Forward Together: Opportunities to Address Broader City Priorities in TCHC Revitalizations, 2019](#)
2. [Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services, 2021](#)

The results of these recommendations were tabled at TCHC's Building Investment, Finance and Audit Committee (BIFAC) on July 7, 2025 and will be reported to TCHC's Board on July 18, 2025, and for information to TSHC's Board on July 31, 2025.

Toronto Police Service Report:

1. [Toronto Police Service IT Infrastructure: Cyber Security Assessment Phase 1, 2021](#)

The results of this follow-up work will be reported separately at the July 17, 2025 Toronto Police Service Board meeting.

Agencies and corporations that were not included in this follow-up cycle

Given the available resources at the Auditor General's Office, this follow-up cycle did not assess all the recommendations reported as fully implemented by management for the following agencies and corporations:

- Toronto Parking Authority
- Toronto Transit Commission
- Toronto Police Service (see below for reporting by TPS and the City on TPS reports)

Exhibit 2 (#73 to #89) outlines the status of agency and corporation recommendations on April 30, 2025. The Auditor General will include these agencies and corporations for review in future follow-up cycles.

Toronto Police Service

On May 13, 2025, City management provided an update on the status of their assigned Toronto Police Service recommendations to City Council's Executive Committee. The agenda item is available [here](#):

[EX23.4 - Management Update: Auditor General Recommendations on 9-1-1 Operations and Responses to Calls for Service by the Toronto Police Service](#)

Toronto Police Service management plans to provide an update on the status of the 51 outstanding recommendations to the Toronto Police Service Board on July 17, 2025. The update relates to the following two Auditor General reports issued in June 2022.

[Audit of 9-1-1 Public Safety Answering Point Operations Better Support for Staff, Improved Information Management and Outcomes](#)

[Opportunities to Support More Effective Responses to Calls for Service - A Journey of Change: Improving Community Safety and Well-Being Outcomes](#)

Toronto Police Service management has informed the Auditor General of the following progress in implementing the outstanding recommendations from these two reports. These have not yet been verified by the Auditor General.

- 6 fully implemented
- 21 in progress (estimated 75% completion)
- 20 in progress (estimated 50% completion)
- 4 recommendations where TPS has a supporting role

The Auditor General plans to start follow-up work at the Toronto Police Service in late 2025, depending on available resources.

Savings Realized as a Result of Management Actions for Implementing the Auditor General's Recommendations

Financial and non-financial benefits result from the implementation of Auditor General recommendations. The Auditor General's Office calculates one-time and annually recurring savings projected over a five-year period.

Table 1 summarizes the savings related to the Auditor General's recommendations that we verified in this follow-up cycle. The total savings identified was approximately \$37.03 million (\$25.88 million in one-time and \$11.15 million in annually recurring savings projected, where applicable over a five-year period). The details relating to the savings are explained in the section titled 'Noteworthy Results' on the pages indicated in the table. The savings were reviewed and confirmed with divisional management

Table 1: Summary of Savings from Implementing Recommendations

Division	Report Name	Savings in \$ million			
		One Time	Recurring savings projected over 5 years*	Total	Details on Page
Fleet Services	Fleet Services Operational Review - Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles, 2019	\$6.20	\$5.35	\$11.55	21-24
	Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention, 2019				
	Fleet Services Operational Review - Phase Two – Stronger Asset Management Needed, 2019				
Environment, Climate and Forestry	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement, 2018	\$1.06		\$1.06	24
	Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit, 2021	\$3.06	\$0.61	\$3.67	25-26
Solid Waste Management Services	Review of the Green Lane Landfill Operations, 2018	\$5.50		\$5.50	31-32
Transportation Services	Installation and Maintenance of Traffic Signs Contract - Follow up on Complaints Received, 2022	\$1.40		\$1.40	32-34
Revenue Services	Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue – Auditor General, 2016	\$1.73		\$1.73	36-37
Toronto Shelter and Support Services	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022	\$6.93	\$5.19	\$12.12	38-43
	TOTAL	\$25.88	\$11.15	\$37.03	

*Recurring savings are projected over five years or a contract term, whichever is shorter

Management Letter Recommendations

Results of 8 management letter recommendations reported to City Manager

The Auditor General follows up on management letter recommendations. Management letters are issued to divisional management and are not reported to City Council. Management letter recommendations are generally lower risk but require management's attention.

We reviewed eight management letter recommendations across four reports in this follow-up cycle. We assessed seven recommendations as fully implemented and one as not fully implemented. A separate report to the City Manager will be made on this work.

Follow-up Initiatives to Improve Overall Process

In addition to working together with Internal Audit and the City Manager's Office to help divisions with the follow-up process, the Auditor General's Office is also undertaking certain initiatives to improve the follow-up process and reporting on outstanding recommendations:

a. Developing Training, Resources and Internal Website Page to Support Staff with the Auditor General's Follow-Up Process

To help City staff further understand the Auditor General's follow-up process and to provide relevant resources, such as training materials, user access forms, password requests, etc., the Auditor General's Office is developing an internal website page to share information. The aim is to help City staff navigate the Auditor General's follow-up process, including important timelines and key contacts to address queries and information requests.

b. Management Reporting on Percentage of Completion for Not Fully Implemented Recommendations

To improve the reporting on 'Not Fully Implemented' recommendations, the Auditor General is requesting City divisions and its agencies and corporations to update the follow-up system with a percentage of completion for recommendations that are still in progress. For example, management can report progress as 25, 50 or 75 per cent complete. This information will assist the Auditor General and senior management to monitor the progress by management to implement recommendations. Management has started entering this information into the system during this follow-up cycle, and we expect this information to be fully completed and available for reporting in next year's follow-up cycle.

Noteworthy Results

Corporate Services

Corporate Real Estate Management

Audit of City Cleaning Services, 2016

Standardizing corporate cleaning services across all City facilities

The Auditor General's 2016 audit of City cleaning services resulted in 30 recommendations made through two reports. These recommendations aimed at standardizing corporate cleaning services across all City facilities (including agencies and corporations), as well as improving the procurement and administration of cleaning contracts. Sixteen recommendations were assessed as fully implemented and closed in previous follow-up cycles.

**Current follow-up:
4 recommendations fully implemented; 1 no longer applicable and 3 not fully implemented**

Management reported eight recommendations as fully implemented for this follow up cycle. We assessed four as fully implemented, one as no longer applicable and closed, and three as not fully implemented. At the conclusion of this follow-up cycle, a total of nine recommendations are still outstanding across both reports.

The Auditor General's reports are available at:

[Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services, 2016](#)

[Part 2: Maximizing Value from Cleaning Contracts, 2016](#)

The Division continues to make progress in applying industry standards to cleaning services by gathering data to drive operating decisions and has standardized the level of cleanliness to be achieved. Most of the progress made to date is with facilities managed directly by CREM.

Industry standards adopted by CREM and further refinement needed

The Division adopted a benchmark of 4,750 square feet of space to be cleaned per hour, based on industry standards for office space. They have also developed duty lists and cleaning routines. The Division will continue to further refine the standards applied when workloading facilities⁸ and scheduling the internal cleaning workforce. In doing so, management advised that cleaning benchmarks may be further adjusted.

The Division continues to develop their quality assurance program for cleaning services to assess actual performance against the adopted benchmarks and service level expectations.

Challenges of standardizing cleaning services by a center-led core group

Management advised that the Division could standardize cleaning services within select facility types, such as office buildings, civic centers, and other corporate spaces. There are challenges standardizing cleaning services to other facility types, such as shelters and long-term care homes, which have unique operational needs and are governed by regulatory requirements that differ significantly from corporate facilities.

As part of its center-led model, CREM will focus on developing and sharing policies, processes, and best practices that other divisions, agencies, and corporations can leverage and adopt, where feasible. Where alignment is appropriate, service improvements can be realized, and value can be added through economies of scale, CREM will take on service delivery responsibilities accordingly.

Restore Focus on Union Station Leasing, 2017

2017 audit found leasing revenues were not settled with occupants at Union Station

The Auditor General's 2017 audit found that lease administration functions for Union Station were not performed for four years, and immediate action was needed to resolve past issues. The report contained 21 recommendations to remediate the billing and collection of the City's leasing revenue and implement controls that support contract compliance. The audit report is available at:

[Real Estate Services Division - Restore Focus on Union Station Leasing, 2017](#)

Current follow-up: 5 recommendations fully implemented; 4 not fully implemented; 1 no longer applicable

Of the 21 recommendations, nine recommendations were closed in prior follow-up cycles. Of the 12 outstanding recommendations, management reported 10 recommendations as fully implemented for this follow-up cycle. We assessed five as fully implemented, four as not fully implemented, and closed one as no longer applicable. At the conclusion of this follow-up cycle, a total of six recommendations remains open.

⁸ The process of workloading a facility helps to establish the scope of cleaning work, appropriate staffing levels, and an accurate estimate of cost to perform the work.

Improvements in timeliness of annual notices for rents and estimated operating costs

During this follow-up cycle, we observed improvements in the leasing function including serving annual notices of anticipated changes to monthly rent and operating cost payments and recording and reviewing the respective financial information for key occupants.

Further action needed to address remaining recommendations

Further action is needed to accurately and completely determine actual operating costs and property taxes to be promptly recovered from station occupants at the end of each year

CREM staff served notice to station occupants to recover operating costs for 2022 and 2023 in the last quarter of 2024. During this follow-up cycle, we found that the Division needed to re-issue notices in the first quarter of 2025, and some of these settlement determinations have not yet been accepted by the occupants. Furthermore, when reviewing the methodology for calculating operating cost and property tax recoveries, we flagged several areas where CREM needs to obtain further information to support their analysis and/or make corrections to ensure operating costs and property taxes are being proportionately allocated to occupants in accordance with the various agreements. Management is aware of the issues and is continuing to work to address outstanding process and information gaps so that reconciliations can be issued on time and with certainty by the time Union Station leasing reaches a steady state.

We were advised that the Municipal Property Assessment Corporation (MPAC) assessment for Union Station has not been updated since 2016, and recent property tax bills are based on these outdated assessments. To support proper allocation of property taxes to occupants, City staff are working with MPAC to ensure assessments reflect updated information for commercial activity at Union Station.

The revitalization at Union Station has created an extended period of flux for the leasing function. As construction activities wrap up and commercial operations stabilize, CREM staff should ensure that additional rents and recoveries reflect the right measurements for allocating operating costs and property taxes to Station occupants, and that annual settlements are completed accurately and promptly after each year end. Management advised that they expect commercial operations to enter a stable state in 2027.

Recommendation deemed no longer relevant due to passage of time

In 2017, the Auditor General recommended the Chief Corporate Officer, in consultation with the City Solicitor, to determine the appropriate action to take to settle the accounts related to the [former] retail operations at Union Station for the period prior to the revitalization (from 2010 to 2015). In 2019, CREM retained an external auditor to review, on behalf of the City, the leasing records, related to legacy retail tenants at Union Station prior to their displacement for construction. However, due to scope limitations they could not provide an unqualified opinion on the financial records for 2010 to 2015.

Low likelihood to recover any potential additional funds owing to the City for retail operations at Union Station for the period prior to the revitalization

Given the age and limitations on the availability of historic files, CREM staff indicated there was a low likelihood that there would be any opportunity to identify and recover any potential additional funds owed to the City. Based on this, and the passage of time since the recommendation was first made, we closed this recommendation as no longer applicable.

Fleet Services

Management of the City's Fleet Operations, 2019

In 2019, the Auditor General completed a multi-phase audit of fleet operations focused on asset utilization and asset management practices. The Auditor General made 37 total recommendations to Fleet Services Division to improve fleet operations. The reports are available at:

1. [Fleet Services Operational Review - Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles, 2019](#)
2. [Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention, 2019](#)
3. [Fleet Services Operational Review - Phase Two – Stronger Asset Management Needed, 2019](#)

**Current follow-up:
9 recommendations fully implemented; 1 not fully implemented**

In prior follow-up cycles, 26 out of the 37 recommendations were closed. In the current follow-up cycle, management reported 10 recommendations as fully implemented. We assessed nine of these recommendations as fully implemented and one as not fully implemented. At the conclusion of this follow-up cycle, two recommendations remain open.

Addressing recommendations helped improve fleet operations and oversight

Addressing the recommendations has helped improve operational controls and monitoring over the management of the City's fleet. We noted the following improvements in fleet operations:

- Fleet Services identified underutilized vehicles and worked with divisions to improve City vehicle use and disposition
- Reduced vehicle downtime due to maintenance or repair delays by streamlining contracted vehicle maintenance process with vendors
- Improved preventive maintenance ratio to reduce overall fleet maintenance cost and increase efficiencies
- Uptake in warranty utilization for parts that fail within the warranty term
- Improved life cycle planning for vehicles, including end-of-life cost analysis and decision-making supported by formal vehicle condition assessments

The implementation of the Auditor General's recommendations has resulted in cost savings, and a central oversight role for Fleet Services Division to lead fleet operational practices to ensure a more economical solution for the City as a whole.

City is removing underutilized vehicles from service

Since our audit, Fleet Services identified underutilized vehicles and worked with City divisions to eliminate them from its fleet. This included selling vehicles that were not needed, reassigning vehicles, and improving controls over rentals. This has reduced costs, promoted inter-divisional cooperation, and freed up maintenance resources.

Over \$5.4M in savings reported in the Auditor General's 2023 Annual Report

In the Auditor General's 2023 Annual Report, we reported one-time and annually recurring savings projected over five years totalling over \$5.4 million. These savings resulted from revenues from asset disposal, reduced rental costs and kilometrage reimbursement costs, and recurring savings from reduced maintenance costs.⁹

Incremental savings in 2024

As part of this follow-up cycle, we continued to assess Fleet Services' ongoing progress to:

- a) manage and reduce underutilized vehicles
- b) improve City vehicle use, which reduces the need for employees to use personal vehicles, thus reducing kilometrage reimbursement costs
- c) utilize warranty coverage for parts that fail within the warranty term
- d) establish a CarShare program for City Employees

⁹ <https://www.toronto.ca/legdocs/mmis/2024/au/bgrd/backgroundfile-243038.pdf>, page 38-39

The incremental cost savings related to this are outlined below.

a) Savings from underutilized vehicles:

\$1.2M in revenue from sale of vehicles and avoided maintenance costs of \$364,000 annually

The City received \$1.2 million in one-time revenue from December 2023 to December 2024 by selling underutilized City-owned vehicles. Going forward, the City will no longer incur the approximately \$364,000 in annual maintenance costs related to these vehicles.

Ongoing budget pressures (e.g., inflation and higher maintenance costs for the existing fleet) offset the savings from the avoided maintenance costs associated with these vehicles (which had exceeded their life span).¹⁰

b) Savings from Employee Kilometrage Reimbursement Costs

\$2.13M reduction in kilometrage costs in 2024 projected over four years will total \$8.5M in avoided costs

The audit report also noted that leveraging the City's fleet reduces the need for employees to use their personal vehicles and the related kilometrage reimbursement costs. In 2024, the City incurred about \$2.13 million less because of the collective efforts of all divisions to monitor reduce kilometrage costs. Since the trend is consistent with 2023 (\$2.2 million reported in the Auditor General's 2023 Annual Report), we estimate annually recurring avoided costs projected over an additional four years (2024-2027) to total approximately \$8.5 million.

c) Uptake in Warranty Utilization for Parts that Fail Within the Warranty Term

The audit report noted that only a small percentage of the parts eligible for warranty was claimed. Fleet Services Division established a process to monitor, review, and manage warranty claims for parts that fail within the warranty term. Fleet Services also negotiated changes to contracts which increased the time where parts are covered by warranties. We will assess the incremental savings from actions taken by Fleet Services to improve warranty claims at the end of 2025.

d) Car Share Services for City Employees

Fleet Services recently established a City-wide CarShare program with an external vendor. The CarShare program is for City employees requiring transportation for business-related purposes such as site visits and off-site meetings. As part of our follow-up process, we will continue to review the program updates and assess if there are cost savings in our future reports.

¹⁰ In March 2024, the Division reported its progress through the [Fleet Services' Report of the City of Toronto's Fleet Availability and Utilization Rates](#), page 2

Total savings of \$11.55M

We estimate the actions above to result in combined one-time savings of \$6.20 million and annual recurring savings projected over five years (or less, as applicable) of \$5.35 million, totalling over \$11.55 million, with the potential for additional savings to be recognized in future years.

Environment, Climate and Forestry**Permit Issuance and Tree Bylaw Enforcement, 2018****Recommendations to improve review of unclaimed deposits, tree bylaw compliance and enforcement**

In 2018, the Auditor General completed an audit of Urban Forestry permit issuance and tree by-law enforcement functions and identified opportunities to improve controls over unclaimed deposits, permit issuance, and enforcement. The report is available at:

[Review of Urban Forestry – Permit Issuance and Tree Bylaw Enforcement Require Significant Improvement, 2018](#)

**Current follow-up:
4 recommendations fully implemented**

Of the 12 recommendations from the report, four were closed during the prior follow-up cycles. In the current follow-up, we verified that four additional recommendations are fully implemented. At the conclusion of this follow-up cycle, four recommendations from the report remain open.

New policy and process developed in response to the audit

Since the audit, Urban Forestry management has developed and/or updated policies and procedures to address old unclaimed deposits and verify compliance with tree hoarding and planting permit requirements. Enhanced enforcement activities were implemented to address any contravention of Tree Protection Bylaws.

Additional \$796,800 in deposits were retained as revenue from October 2024 to April 2025

Since April 2022, staff have proactively conducted periodic reviews of old unclaimed deposits, resulting in deposits being refunded if tree planting requirements are satisfied or the transfer of forfeited deposits to revenue. In the Auditor General's 2024 Annual Report, we reported that over \$5.03 million in deposits were retained as revenue from 2020 to the end of September 2024. As part of this follow-up, we found that management had further recognized and transferred an additional \$796,800 in forfeited deposits to revenue from October 1, 2024, to April 30, 2025.

\$263,700 in incremental increase in fines and cash in lieu of replanting collected from 2021 to 2025

Since implementing the compliance and enforcement procedures for contraventions of Tree Protection by-laws in March 2020, management has also increased prosecutions. As a result of these enhanced enforcement activities targeting serious and repeat contraventions, we estimate that management collected an incremental of \$263,700 in fines and cash in lieu of replanting between 2021 to 2025.

Urban Forestry Tree Maintenance Services, 2019 and 2021

Recommendations to improve the City's oversight of tree maintenance services

The Urban Forestry Branch within the Environment, Climate and Forestry Division¹¹ is responsible for protecting, maintaining, and enhancing the urban forest in the city. In 2019, the Auditor General performed an audit to assess tree planting and maintenance services. In 2021, a limited-scope follow-up review was completed to assess Urban Forestry's progress towards addressing issues and recommendations made in 2019. These reports are available at:

1. [Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services, 2019](#)
2. [Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit, 2021](#)

The two reports combined included 27 recommendations to strengthen contract management and oversight, as well as to improve operational efficiency and increase productivity to achieve value for money from tree maintenance services. In the prior follow-up cycles, 11 out of the 27 recommendations were closed.

Current follow-up: 8 recommendations fully implemented; 1 not fully implemented

In the current follow-up, management reported that nine additional recommendations were fully implemented. We assessed eight of these as fully implemented and one as not fully implemented. Management also addressed a management letter issued by the Auditor General in 2023. At the conclusion of this follow-up cycle, eight recommendations from the two reports remain open.

Through our annual follow-up process, we have observed Urban Forestry management's ongoing commitment to making continuous improvements aimed at enhancing crew productivity. Notable initiatives included:

- entering into agreements with the Solid Waste Management Services Division to allow forestry crews to use transfer stations for woodchip disposal, reducing travel time
- improving processes for pre-arranging hydro hold-offs¹²
- collaborating with parking enforcement officers to reduce time spent on removing parked vehicles
- enhancing contract clauses to limit the amount of time spent at the yard at the beginning and end of shifts.

¹¹ At the time of the 2019 Audit and 2021 Follow-Up, the Urban Forestry Branch was part of the Parks, Forestry and Recreation Division.

¹² Hold offs refer to restricting electricity going through power lines in proximity to a work site before the work commences.

In addition, management has enhanced its monitoring and oversight activities. This includes strengthening its Forestry Performance Inspection (FPIR) processes and conducting detailed reviews of daily logs to identify crews with a higher frequency of non-productive time, as well as to detect duplicative or questionable tree maintenance activities.

**\$3.67M in cost avoidance
from implementing
recommendations**

On July 1, 2023, new hourly and unit rate contracts for tree maintenance and planting services took effect, including where appropriate, provisions for unpaid lunch and breaks and fee adjustments for underperformance. During this follow-up, we found improved reporting of break times by tree maintenance vendors in compliance with contract terms. We estimate the City has avoided approximately \$3.06 million in costs from 2023 to 2025 and an estimated \$0.61 million related to 2026, because of implementing and enforcing these provisions for the current contract term.

Urban Forestry began implementing the Enterprise Work Management Solution (EWMS) Maximo in April 2024, transitioning from a manual process to recording daily activities electronically. Our office will continue to monitor and quantify the resulting financial benefits and efficiencies as part of our ongoing follow-up work, as more reliable electronic daily log data becomes available.

Technology Services Division

Office of the Chief Information Security Officer

**Summary of follow-up
results for Technology
Services**

Our assessment results for implementation of previous Auditor General recommendations for Technology Services Division (TSD) and the Office of the Chief Information Security Officer (CISO) included 11 public reports and five confidential reports. A list of the Auditor General's information technology reports and summary results of the assessment for recommendations reviewed in this follow-up cycle are provided in **Exhibit 1** (#15 to #26). The specific public recommendations are listed in **Attachment 2** and confidential recommendations are listed in **Confidential Attachment 1**.

The reports and recommendations included in this cycle for the most part relate to the following areas:

- Cybersecurity controls
- Information technology policies and procedures, and management of technology projects
- IT asset management
- Software licences
- Other IT reports, such as City-wide telecommunication expenses.

74 of the 140 IT and cyber related recommendations were previously closed

From prior follow-up cycles, 74 out of the 140¹³ reported recommendations were already closed across these 16 reports. In this current follow-up cycle, management reported 40 out of the 66 remaining recommendations as fully implemented. We assessed 33 of these recommendations as fully implemented and four as in progress and not fully implemented. We have not assessed three of these recommendations as they require testing by third-party experts, to be verified in a future follow-up cycle.

Current follow-up: 33 recommendations fully implemented

The current cycle brings the total fully implemented recommendations verified by the Auditor General to 107 out of the 140 recommendations, or over 75 per cent of the recommendations included in the 16 reports.

Recommendations relating to cybersecurity were undertaken by the Office of the CISO and where needed, jointly with TSD. The other recommendations were addressed by TSD, and where needed, with other divisional support. We acknowledge that some audit recommendations may require more time than others to implement. The total number of recommendations that are outstanding for each report is included in **Exhibit 2 and Confidential Attachment 1**.

Cybersecurity Reports – 2016 to 2022

Since 2015, the Auditor General has conducted several audits to assess the cybersecurity controls of the City's information technology infrastructure, systems, and applications including vulnerability assessments and penetration testing of critical systems.

This follow-up cycle included seven cyber security related reports (five confidential and two public reports). Details on the implementation status of specific public and confidential recommendations are included in the **Exhibit 1 and Confidential Attachment 1**. The **Confidential Attachment 1** also includes a brief description of noteworthy management actions taken to implement cybersecurity-related recommendations. The list of reports consisting of cybersecurity-related recommendations is provided below:

¹³ The overall numbers include both public and confidential recommendations.

Reports for Action with Confidential Attachment

- [Auditor General's Cybersecurity Review: Toronto Fire Services Critical Systems Review Phase 2, May 2022](#)
- [Auditor General's Cybersecurity Review: Toronto Fire Services Critical Systems Review, October 2021](#)
- [Cyber Safety: A Robust Cybersecurity Program Needed, October 2019](#)
- [Audit of Information Technology Vulnerability and Penetration Testing Phase II: Part 1 Accessibility, October 2016](#)
- [Audit of Information Technology Vulnerability and Penetration Testing Phase I: External Testing, February 2016](#)

Public Reports

- [Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System, February 2021](#)
- [Establishment of City Wide Cyber Security Breach Incident Management Procedures Required, June 2019](#)

The City continues to invest in improving cybersecurity

The City continues to invest in improving cybersecurity, which includes procuring and upgrading tools, resources, licences, and services which support IT security functions. Management reported that it continues to take actions to implement our cybersecurity audit recommendations.

We would also like to acknowledge that the Office of the CISO has been directly engaged with cyber risk assessments on technology projects to determine risk levels and inform mitigation strategies. On May 22 and 23, 2024, City Council extended the scope of the authority of the Chief Information Security Officer across all City agencies and corporations¹⁴ to mitigate cybersecurity risks across the City.

As cybersecurity threats expand and evolve and given the independent nature of the work performed by the Auditor General, it is important that she continues her work on cybersecurity risks and controls and provides recommendations to the City and its agencies and corporations.

¹⁴ [Extending the Mandate of the City's Chief Information Security Officer](#)

Controls Over Telecommunication Expenses Need Improvement, 2014

16 of 20 recommendations closed in previous follow-up cycles

In 2014, the Auditor General completed an audit of the controls over telecommunication expenses. Out of the total 20 recommendations (18 in the public report and two in the confidential attachment), 16 were closed in the previous follow-up cycles.

The audit report included recommendations to strengthen the management of telecommunication services, including periodically reviewing inventories, developing management reports to identify unnecessary telecommunications costs, and cancelling accounts not needed.

The report is available at:

[Controls Over Telecommunication Expenses Need Improvement, 2014](#)

2 recommendations fully implemented; 2 remain in progress

Out of the remaining four recommendations that management reported as fully implemented, we assessed two recommendations as fully implemented and the other two recommendations are not fully implemented.

Since the audit, the Technology Services Division implemented a new technology solution to manage telecommunication assets and expenses and communicated instructions to the divisions on how to run reports from the new system.

It is important to note that the two recommendations in progress were originally directed to the City Manager. Since that time, they were delegated by the City Manager's Office to the Technology Services Division.

Need for a City-wide directive for ongoing review and monitoring of telecommunication devices

Two recommendations from the Auditor General's 2014 report recommended that the City review controls over the access and use of wireless devices' inventory and usage, including group wireless devices.

The required review process for usage and cancellation of unused wireless devices is not yet implemented across the City, and there are cost savings associated with implementing these recommendations.

There is a need to have a City-wide directive that sets out the responsibilities and accountability for the ongoing review and monitoring of telecommunication expenses.

For example, we noted there were 3,000 wireless devices including group devices¹⁵ with no usage for over six months. From our sample of three divisions, we found that there is a lack of clarity on roles and responsibilities for the management of these devices. We could not confirm whether these devices are required or should be cancelled.

These two recommendations require action across all City Divisions, and it is important for the City Manager's Office and Deputy City Manager Offices to support Technology Services Division on these recommendations going forward.

Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects, 2023

7 recommendations fully implemented; 2 not fully implemented

In 2023, the Auditor General completed an audit of the Enterprise Work Management Solution (EWMS). The report included 14 recommendations to improve project planning and communication, governance, execution, and help realize the benefits as intended by the EWMS program and for other large information technology projects at the City.

For this follow-up cycle, nine of 14 recommendations were reported by management as fully implemented. We concluded that seven recommendations are fully implemented. The two recommendations we assessed as not fully implemented require clarity on the roles and responsibilities for measuring and monitoring the achievement of project goals and benefit realization. Five other recommendations are in progress.

The report is available at:

[Audit of the Enterprise Work Management Solution \(EWMS\): Lessons Learned for Future Large Information Technology Projects, 2023](#)

Improvements in project governance

Some key actions taken by management include:

- Management advised that three of the five Divisions have had Phase 1 implemented for EWMS, another division is to be completed in Q3 of this year, and the fifth is planned for next year¹⁶.
- Developing criteria and escalation processes for project delays to the Executive Steering Committee.
- Establishing a process to monitor and respond to emerging risks.
- Completing the Technology Services Division's Stakeholder Management Plan to improve stakeholder's engagement, coordination, and communication.

¹⁵ Group devices refer to wireless phones that are shared by multiple staff.

¹⁶ Phase 1 scope includes selected divisional business units: EWMS implemented at Environment, Climate and Forestry – Forestry; Transportation Services – Road Operations; Solid Waste Management Services – Facilities & Equipment Maintenance. Implementation planned for Parks and Recreation – Parks is Q3 2025 and Toronto Water is scheduled for 20

Infrastructure Services

Solid Waste Management Services

Green Lane Landfill Operations – Management of Contracts Needs Improvement, 2018

Audit of landfill operations completed in 2018

In 2018, the Auditor General completed an audit of waste haulage, landfill operations and maintenance, and construction at the Green Lane Landfill. These services are contracted out to third-party vendors. The Solid Waste Management Services Division is responsible for the day-to-day management and oversight of these contracts.

The Auditor General made 18 recommendations related to the procurement and contract management of operations and maintenance processes and controls at Green Lane. Eleven of the 18 recommendations were closed during prior follow-up cycles.

The report is available at:

[Review of the Green Lane Landfill Operations, 2018](#)

All remaining audit recommendations are closed

In the current follow-up cycle, management reported the remaining seven recommendations as fully implemented. We assessed all seven recommendations as fully implemented, meaning all recommendations from the report are closed.

Operational improvements observed during the current follow-up include:

- stronger processes for reviewing and approving vendor invoices, with specific attention to ensuring contract line items are properly coded
- established a defined process to conduct and document the basis for developing contract contingency amounts
- enhancements to change order tracking, analysis and monitoring, and management review and approval
- improvements to key performance metrics to track and monitor site performance

Auditor General recommendations helped inform and improve contract design

In addition to site-specific operational improvements, the Auditor General's recommendations helped to inform and improve the design of the current renegotiated Operations, Maintenance and Construction Contract, which provides for the day-to-day landfilling operations and maintenance of the site.

Solid Waste Management Services provided details of the benefits and \$19.3 million in cost savings to support the extension of the contract in a report considered by the Infrastructure and Environment Committee in December 2020.¹⁷ The renegotiated contract commenced in January 2021.

Savings of over \$4.9M reported in the Auditor General's 2018 Annual Report

These savings relate to items mentioned in the Auditor General's report or directly to her recommendations. In the Auditor General's 2018 Annual Report, we reported \$970,000 in annually recurring savings resulting from optimizing the amount of waste sent to Green Lane, totalling nearly \$4.9 million over five years.¹⁸ These cost savings were reflected in the Solid Waste Management Services Division's 2019 Budget Notes.¹⁹

\$5.5M in savings related to recommendations assessed in this follow-up cycle

Management's overall implementation of the Auditor General recommendations validated in this follow-up cycle resulted in additional estimated one-time savings of \$5.5 million.

Transportation Services

Installation and Maintenance of Traffic Signs Contract – Follow up on Complaints Received, 2022

Why reviewing the City's Traffic Signs Contract matters

The City's Fraud and Waste Hotline received one complaint in 2016 and another in 2021, alleging:

- a utility contracting services vendor overbilled for traffic sign installation and maintenance services; and
- a lack of oversight by Transportation Services Division management for not taking action against the vendor.

¹⁷ [Green Lane Landfill Operations, Maintenance and Construction Contract Extension](#)

¹⁸ [Attachment 1: 2018 Annual Report – Demonstrating the Value of the Auditor General's Office](#)

¹⁹ [2019 Staff Recommended Operating and Capital Budget Notes - Solid Waste Management Services](#), Appendix 4 (Business Case ID 18441)

The Auditor General's Office conducted preliminary inquiries for the 2016 complaint and determined that it was appropriate to refer the complaint to the Transportation Services Division for review and suggested leveraging the Internal Audit Division to help with conducting an analysis to address the allegations. In 2017, the Internal Audit Division issued a report of their analysis and outlined four recommendations for the Transportation Services Division to consider.

After receiving a second complaint in December 2021, the Auditor General's Office issued a public report in 2022. This report summarized the complaints received, actions taken and status of the past Internal Audit recommendations, as well as new Auditor General recommendations in advance of the contract for installation and maintenance of traffic signs being procured for January 1, 2023.

How recommendations benefit the City

The Auditor General's report recommended that the General Manager of Transportation Services Division ensure that all areas of improvement identified through the recommendations (Internal Audit Division's and the Auditor General's) are incorporated into the upcoming contract. The three recommendations enhanced transparency on vendor invoices through improved internal controls and contract oversight processes.

The Auditor General assessed all three recommendations as fully implemented in the previous follow-up cycle.

The report is available at:

[Installation and Maintenance of Traffic Signs Contract - Follow up on Complaints Received, 2022](#)

One recommendation from the initial work in 2017 requested Transportation Services Division to assess the feasibility of incorporating flexible crew complements in future sign maintenance/installation contracts.

Reduction of crew size from four to three crews contributed to savings

That recommendation resulted in reducing the crew size from four crews to three crews (two people per crew) in the current contract. Based on this reduction in crew size, in the current follow-up cycle, the Auditor General's Office with Transportation Services Division reviewed the change in hours to determine if there were any savings.

Contractual changes for patrolling and daily log of activities planned contributed to the savings

Another recommendation made by the Auditor General that also contributed to savings was the request that Transportation Services Division ensure the following for the upcoming contract:

- the vendor is required to document streets patrolled for non-site travel time; and
- the vendor is required to submit a daily log of activities to be performed.

Total estimated cost savings of \$1.4 million due in part to reduction in crew size and decrease in labour hours

As a result of the recommendation from the 2017 review being incorporated into the current contract along with the further recommendations by the Auditor General in 2022, Transportation Services Division achieved cost savings of approximately \$1.4 million across 2023 to 2025 to the end of the contract term. The savings were in part from the reduction in labour hours from the crew size decreasing from four to three (two people per crew) and in part from contractual updates to more effectively manage the patrolling, a daily log of planned activities, and limiting the observed work unless there is an emergency to more efficiently schedule the repair work.

Toronto Water

Improving the Effectiveness of the Basement Flooding Protection Subsidy Program, 2017

All recommendations from 2017 audit of the Basement Flooding Protection Subsidy Program have been closed

In 2017, the Auditor General completed an audit of the effectiveness of the Basement Flooding Protection Subsidy Program and made eight recommendations. Toronto Water Management reported all eight recommendations as fully implemented. As part of this follow-up cycle, we assessed these eight recommendations as completed and closed.

The report is available at:

[Improving the Effectiveness of the Basement Flooding Protection Subsidy Program, 2017](#)

The City's Basement Flooding Protection Subsidy Program assists homeowners in taking steps to prevent flooding on their private properties. The City-wide Subsidy Program has been in place for over fifteen years.

Toronto Water completed a program review in 2020

The Auditor General recommended that management periodically review the program to ensure it was having the desired impact. Toronto Water management completed a review of the program in 2020. The Program Review included examining stormwater information and data, obtaining public feedback, a jurisdictional scan of other municipalities, and examining other stormwater management incentive programs offered by the City. The Program Review determined that the Basement Flooding Protection Subsidy Program should continue and is meeting program objectives and outcomes.

Other improvements to the program since our audit

Since our 2017 audit, Toronto Water has made the following improvements to the program:

- Implemented an online subsidy application process. This has created efficiency in receiving and processing subsidy applications, reduced errors and missing information, and has automated controls for verifying certain information.
- Improved quality control processes for reviewing applications and implemented a risk-based approach for verifying devices installed by homeowners.
- Implemented tracking and analyzing data to identify whether homeowners directly affected by basement flooding are participating in the program, enhancements to performance reporting and metrics, and use of data to determine trends and emerging issues.

Subsidy program is expanding

Management has advised that, subject to City Council approval in the third quarter of 2025, Toronto Water is proposing expanding the program as follows:

- A new subsidy for home stormwater assessments by a licensed professional
- An increase in the existing backwater valve subsidy amount to subsidize the cost of two backwater valves
- An increase in the existing sump pump subsidy amount to subsidize the cost of backup power

Municipal Licensing and Standards

Investigation Services Unit – Efficiencies Through Enhanced Oversight, 2012

All recommendations from 2012 audit of MLS Investigation Services are now closed

This follow-up review assessed the two remaining outstanding recommendations (recommendation #1 and #2) out of the total of 13 recommendations included in the 2012 report as fully implemented.

The Auditor General's 2012 report is available at:
[Investigation Services Unit - Efficiencies Through Enhanced Oversight, 2012](#)

Investigation Services is responsible for ensuring that property standards are maintained across the city. The team:

- investigates property standards and other maintenance-related bylaws including long grass and weeds, fencing, heat/vital services, and graffiti;
- co-ordinates remedial action (clean-up) on private property when required; and
- inspects and investigates contraventions of zoning bylaws.

How recommendations benefit the City

The recommendations required the Division to develop a Quality Assurance Program to review staff performance on addressing emergency complaints²⁰, and developing management oversight for compliance with established standards, policies and procedures.

Division's performance on responding to emergency calls improved by 22%

By fully implementing the audit recommendations and making other operational improvements to monitor and measure performance, the Division's average response rate to emergency calls within 24 hours increased from 67 per cent in 2011 to 89 per cent in 2024 (22 per cent increase), which helps promote public safety.

Finance and Treasury Services

Revenue Services

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

In 2016 the Auditor General completed an audit of water billing and collections on properties that were classified as vacant land on the Municipal Property Assessment Corporation's (MPAC) records. We found several properties where building permits were closed for three or more years that appeared to be fully occupied and had regular water billings. When the property classification record is not updated by MPAC in a timely manner, this could result in a loss of property tax revenue to the City.

The Auditor General recommended the City to improve coordination with MPAC and develop exception reports to monitor the classification status of vacant land properties, such as properties with completed construction, or those coded as vacant land while consuming water regularly. Revenue Services Division established a process to monitor and track whether supplementary or omitted tax assessments have been completed by MPAC after construction is completed.

²⁰ The Division's objective is a 90 per cent response to emergency complaints within 24 hours.

\$1.73 M in property tax recovery

For this follow-up cycle we assessed, the actions previously taken by management to enhance monitoring of properties coded as vacant land, which have contributed to an estimated one-time incremental property tax recovery of \$1.73 million for property tax years from 2022 to 2024 to the City.

The audit report is available at:

[Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue – Auditor General, 2016](#)

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

In 2015, the Auditor General completed an audit of the billing and collection of Payment in Lieu of Taxes (PILTs) for various government properties in the City. PILTs are voluntary payments made by the federal, provincial and municipal governments instead of taxes for their properties.

14 recommendations closed in prior years

The report made recommendations to improve controls over the administration and review of property assessment data, evaluation and appeal of property assessments, property tax billing and collection of outstanding payments. Out of 15 recommendations, 14 were closed in prior years. One recommendation remains open. A summary of improvements in collection of outstanding PILT amounts over the period is provided below.

The audit report is available at:

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

The City's PILTs requests amount to approximately \$100 million each tax year

On average, the City's PILTs requests amount to approximately \$100 million each tax year. Revenue Services has taken actions to attempt to collect outstanding PILTs amounts. During this follow-up cycle, we noted that the average PILTs collection rate of 99 per cent for the period reviewed (2020-2023), increased by 3.4 per cent when compared to the average collection rate of 95.6 per during the period covered by our original audit (2010 to 2013).

Collection rate for PILT's has improved since the audit

Management advised that some of the key actions taken to improve collections include:

- Prioritizing accounts with high dollar value and/or long outstanding PILT receivables
- Tracking and monitoring collection efforts
- Reporting annually to the General Government Committee on the status of PILTs outstanding for federal, provincial and municipal properties as well as adjustments made to accounts.²¹

Community and Emergency Services

Toronto Shelter and Support Services

Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022

In 2022, the Auditor General made 15 recommendations to strengthen oversight and management of shelter hotel contracts

In May 2022, the Auditor General completed an audit of hotel use to supplement the City's shelter capacity. The Auditor General made 15 recommendations to strengthen Toronto Shelter & Support Services' (TSSS)²² oversight and management of hotel contracts. The audit recommendations focused on ensuring that charges on invoices to the City were according to the express terms of the contracts and to seek recovery for amounts that should not have been charged.

The audit report is available at:

[Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022](#)

Management Actions Resulting in Cost Savings

In 2022, TSSS stopped a hotel operator from including charges identified during the audit as not in accordance with the express terms of the contract

In response to our recommendation "*to review the express terms of hotel contracts and to communicate to applicable hotel operators to stop invoicing for charges not in compliance with the express terms of the contracts*", management requested the hotel operator to remove extra charges to their invoices, including: a three per cent "DMF" charge on room invoices and a 15 per cent "Facility Surcharge" on meal invoices. Both were not in accordance with the express terms of the contract.

Savings reported previously related to 2022 to 2024

By stopping these extra charges, the City saved an estimated \$13.8 million from January 2022 to July 2024. These savings resulting from management actions were included in the [Auditor General's 2023 Annual Report](#).

²¹ [Status of Outstanding Payments in Lieu of Tax Amounts for Federal, Provincial and Municipal Properties](#)

²² Formerly known as the Shelter, Support, and Housing Administration (SSHA) Division at the time the original audit was conducted.

Avoiding the same extra charges on the new contracts is estimated to save the City \$12.1 million for 2024 to 2026

In August 2024, the City re-negotiated contracts which continued hotel use for shelter operations. These new agreements do not include the extra charges described above. By stopping these charges, we estimate a further \$12.1 million in avoided costs for 2024-2026.

Current Follow-up Cycle Results

Current follow-up: 7 recommendations fully implemented; 2 no longer applicable; 4 not fully implemented

For this current follow-up cycle, management reported that 13 of the remaining 14 recommendations were fully implemented. We assessed seven as fully implemented, two as closed and no longer applicable, and four as not fully implemented. Many recommendations were closed because the agreements previously negotiated by TSSS (and related invoice processing and payments) were transferred to the Corporate Real Estate Management Division (CREM), when they expired in August 2024. CREM then took over responsibility for negotiating new lease-type agreements with the hotels with fixed monthly payments.

Management advised that renegotiated leases resulted in budget reductions for the City

TSSS' 2025 Budget Notes report \$30.5 million in efficiency savings related to the Temporary Hotel Program, which includes over \$6 million in net budget reductions related to new longer-term hotel leases at more favourable rates than previous contracts. CREM entered into long-term leases which reserve a fixed number of rooms and spaces for shelter operations within certain hotels. For the new leases in our sample, the [guest] room rate decreased by \$5 per night at four hotels, and increased by \$5 per night at one hotel, when compared to TSSS agreements in place during our 2022 audit. At one other hotel in our sample, CREM negotiated an escalating rate schedule, where the room rate increases as the number of rooms reserved for shelter use decreases (as TSSS scales down and closes operations at the hotel).

Implications of Not Promptly Addressing Audit Recommendations

Progress was made by fully implementing a number of recommendations and transferring responsibility for agreements (and related invoice processing and payments) to CREM. However, during this follow-up review, we noted that the following issues persisted for many months after the 2022 audit:

- a) TSSS paid for vacant rooms – not always in accordance with contract terms
- b) TSSS continued to be overcharged for one-bedroom suites – paying double the contracted rate

These observations emphasize the importance of promptly addressing outstanding audit recommendations, are further detailed below.

a) TSSS paid for vacant rooms – not always in accordance with contract terms

For this follow-up cycle, we reviewed a sample of invoices, selected on a judgemental basis to cover the period following our original audit from 2022 to 2025, for five hotels where we observed issues in the original audit. These observations primarily relate to the time period after our 2022 audit until TSSS' agreements expired in August 2024.

TSSS paid over \$394,000 for unused rooms at two hotels over six months

At two hotels, we found that the City paid over \$394,000 for unused rooms in invoices included in our sample. These invoices included the following six months: December 2022, June 2023, July 2023, August 2023, February 2024, and July 2024.

- **Rooms Reserved for TSSS Isolation and Recovery Program were Charged in Accordance with the Contract**

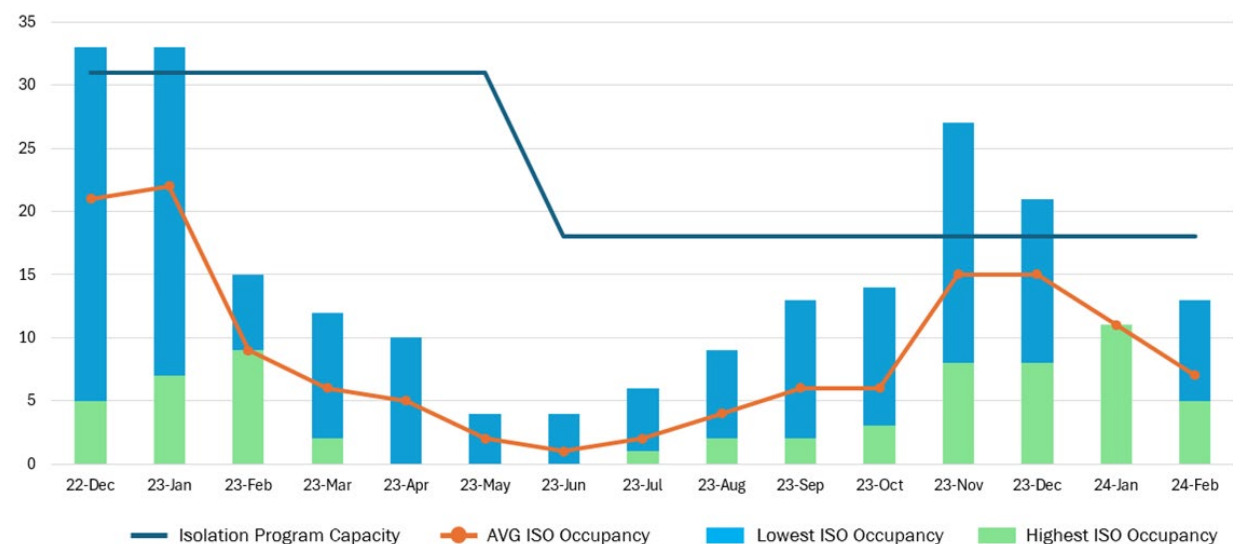
Rooms at one hotel were reserved for infection prevention and control across the shelter system. Shelter clients who test positive for infectious diseases or who are symptomatic and being tested can stay in these rooms to isolate and recover without putting others at risk.²³

TSSS executed a contract amendment in November 2022 allowing the City to be charged \$64.50 per night for unused reserved rooms at this specific hotel. For the six months we sampled, the City paid over \$261,000 for unused rooms at this site.

The number of rooms reserved for the Isolation and Recovery Program that were actually used varied based on the season, as illustrated in **Figure 6**. TSSS reduced the number of rooms reserved for this program in June 2023.

²³ TSSS provided a letter, dated June 13, 2025, from Toronto Public Health supporting continued access to the TSSS Isolation and Recovery Program for individuals and families experiencing homelessness.

Figure 6: Isolation (ISO) and Recovery Program Capacity and Occupancy Data Provided by TSSS



Source: TSSS (unaudited)

- **Vacant Room Charges at Another Hotel Were Not in Accordance with Contract Terms**

At the other site, we observed invoice charges for up to 20 vacant rooms per night. Nothing in the express terms of the agreement in place at that time indicates the City should be charged for these unused rooms. For the six months we sampled, the City paid over \$133,000 for unused rooms.

We also observed that these rooms were marked as unavailable in the Shelter Management Information System (SMIS). SMIS is used by TSSS to make referrals to available emergency shelter spaces and other overnight accommodations. That means that TSSS would likely not have referred people seeking shelter to these unused rooms, even though the City was paying for them.

TSSS indicated that, at this hotel, about:

- 55 percent of vacant room charges were for rooms requiring deep cleaning, treatment for infestations, or maintenance
- 25 per cent of vacant room charges were for move outs where rooms weren't immediately put back into service (The time period a room was left vacant after a move out ranged from one night up to 12 nights)
- 20 per cent of vacant room charges where no reason was provided

We did not quantify the full amount the City paid for unused rooms at these two hotels. Our quantifications are based solely on our review of a sample of six months of invoices.

Under the new leases, the City now pays for all contracted rooms in every hotel regardless of whether they are occupied or not.

b) TSSS continued to be overcharged for one-bedroom suites – paying double the contracted rate

2022 audit found that the City was being charged more than the contracted rate for one-bedroom suites

During the 2022 audit, we noted that certain hotels charged (and the City paid) double the contracted rate for one-bedroom suites. This was not consistent with the express terms of the contract. According to the contract, the City was to be charged the same rate for any of the following types of hotel rooms:

- one-bedroom suite with one or two beds and a living room with a kitchenette and pull-out sofa bed
- room with one-Double or one-Queen bed
- room with two-Double or two-Queen beds

Furthermore, the audit report highlighted that where TSSS does not obtain and review the detailed room breakdown to support invoice charges, they cannot identify whether rooms are charged according to the contracted rates.

City continued to pay double the price for one-bedroom suites from 2022 to 2024

In following up on our 2022 audit recommendations, we observed that one hotel in our sample continued to charge (and the City continued to pay) double the contracted rate for one-bedroom suites. These rooms are mainly used as multi-purpose spaces that can be activated for operational needs such as clinics, storage, offices or shelter. By not promptly addressing certain audit observations and recommendations, the City continued to be overcharged and paid double the rate for these one-bedroom suites. We did not quantify the amount the City was overcharged for the one-bedroom suites from 2022 to 2024.

Under the new leases negotiated by CREM, the City has now agreed to treat these one-bedroom suites as two separate room units. TSSS and CREM management advised that this is reasonable because these are multi-room suites that are larger than standard rooms. We estimate the change in contracted pricing for these one-bedroom suites has a \$814,000 per year cost (and a \$4 million impact over the full five-year term), when compared to the old contract terms to the new lease terms for these specific rooms.

TSSS should work with CREM to expedite implementation of remaining open recommendations

Recommendations determined as not yet fully implemented during this follow-up cycle include:

- TSSS to clarify, for each hotel, the applicable rate for each specific space in the hotel (other than client rooms), including: offices; programming, banquet, and storage rooms; or other areas. During this follow up, CREM staff responsible for negotiating the new leases indicated that the number of rooms to include in the contracts were provided by the hotel owner and TSSS staff. In establishing the lease agreements, CREM did not independently verify the number of hotel rooms at each site, nor the number, size, and specific room locations for other spaces (e.g., “office rooms”, “banquet rooms”, etc.) included in the leases.
- TSSS to ensure that the Shelter Management Information System accurately reflects contracted room capacity and the rooms available in hotels, including rooms with a recent discharge.

Faster implementation of audit recommendations achieves best value from limited resources available for emergency shelter

TSSS and CREM should expedite implementing these outstanding recommendations to verify [guest] room unit counts and other spaces used at the hotels, as well as to ensure SMIS accurately reflects rooms available in hotels.

Promptly addressing audit observations and implementing recommendations is necessary for the City to achieve the best value from every dollar spent in providing emergency shelter.

Conclusion

Effectively implementing the Auditor General's recommendations leads to both financial and non-financial benefits. These benefits are realized sooner when management acts quickly to implement high-priority recommendations. This follow-up cycle also highlights some noteworthy achievements from management actions to fully implement Auditor General recommendations, resulting in significant financial and non-financial benefits for the City (**Table 1**).

Service improvements in various areas

The resulting benefits include management actions in identifying and improving revenue billing and collection, improving operational control and oversight of contracts, better utilization and asset management practices across the City, and enhanced cybersecurity and Information Technology management.

Thank you

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

Exhibit 1: Results of Toronto Auditor General's 2025 Consolidated Follow-up Review

This exhibit outlines the results of the 157 recommendations from the 45 Auditor General reports to City divisions, that were in scope for this follow-up cycle. For more detail on each of the recommendations in scope, refer to **Attachment 2**.

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		COMMUNITY DEVELOPMENT AND SOCIAL SERVICES	2	2	0	0
		Social Development, Finance and Administration				
1	Nov 2012	Municipal Grants - Improving the Community partnership and Investment Program	2	2		
		COMMUNITY AND EMERGENCY SERVICES	20	11	2	7
		Toronto Shelter and Support Services				
2	May 2022	Part 1 of the Audit of Emergency Shelters: A Focus on Case Management	7	4		3
3	May 2022	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations	13	7	2	4
		CORPORATE SERVICES	79	64	2	13
		Corporate Real Estate Management				
4	Jun 2016	Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services	6	3		3
5	Jun 2016	Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts	2	1	1	
6	Jun 2017	Real Estate Services Division - Restore Focus on Union Station Leasing	10	5	1	4
7	Jun 2018	Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services	2	2		
8	Jun 2021	Challenges in Contract Management - Auditor General's Review of the Corporate Real Estate Management Division	5	5		

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		Fleet Services				
9	Apr 2019	Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention	6	6		
10	April 2019	Fleet Services Operational Review Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles	1	1		
11	Oct 2019	Fleet Services Operational Review Phase Two – Stronger Asset Management Needed	3	2		1
		Environment, Climate and Forestry²⁴				
12	Jun 2018	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement	4	4		
13	Apr 2019	Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services	4	4		
14	Feb 2021	Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit	5	4		1
		Technology Services				
15	Mar 2008	Disaster Recovery Planning for City Computer Facilities	1	1		
16	Mar 2010	Governance and Management of City Wireless Technology Needs Improvement	1	1		
17	Jun 2010	Review of the City SAP Competency Centre	1	1		
18	Jan 2011	Governance and Management of City Computer Software Needs Improvement	1	1		
19	Sep 2013	IT Service Desk Unit - Opportunities for Improving Service and Cost Effectiveness	1	1		
20	Jun 2014	Controls Over Telecommunication Expenses Need Improvement	4	2		2
21	Jan 2018	IT Infrastructure and IT Asset Management Review: Phase 1: Establishing an Information Technology Roadmap to Guide the Way	3	3		

²⁴ We have grouped divisional information to align with the most recent organizational changes.

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		Forward for Infrastructure and Asset Management				
22	Oct 2019	Investigation into Allegations of Reprisal: Reprisal Not Found. But Lessons Learned²⁵	1	1		
23	Jun 2019	Establishment of City Wide Cyber Security Breach Incident Management Procedures Required	1	1		
24	Feb 2021	Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System	7	7		
25	Jun 2021	City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	1	1		
26	Nov 2023	Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects	9	7		2
		FINANCE AND TREASURY SERVICES	9	7	1	1
		Financial Planning				
27	May 2013	Financial Planning Analysis and Reporting System (FPARS) - A Large Scale Business Transformation/Information Technology Project	1	1		
		Pension, Payroll and Employee Benefits				
28	Oct 2015	Management of the City's Long-Term Disability Benefits Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits	2	2		
29	Jun 2016	Management of the City's Long-Term Disability Benefits Phase Two: Interim Report on the Approval and Monitoring of Claims	1	1		
30	Oct 2016	Management of the City's Long-Term Disability Benefits Phase Two: The Need for a Proactive and Holistic Approach to Managing Employee Health and Disability	3	3		

²⁵ This report includes a confidential recommendation as referenced in line #40 of this exhibit.

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
31	Oct 2016	Management of the City's Employee Extended Health and Dental Benefits Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims	1		1	
		Revenue Services				
32	Mar 2017	Auditor General's Review of Toronto Water Billing and Collections – Phase II: Water Billing and Water Meter Management Controls Require Strengthening	1			1
		INFRASTRUCTURE SERVICES	39	28	2	9
		Engineering and Construction Services				
33	Jun 2018	Engineering and Construction Services, Phase One: Controls over Substantial Performance and Warranty Inspection Processes Should be Strengthened	3	3		
		Municipal Licensing and Standards				
34	Nov 2012	Municipal Licensing and Standards, Investigation Services Unit - Efficiencies Through Enhanced Oversight	2	2		
		Solid Waste Management Services				
35	Jun 2018	Review of the Green Lane Landfill Operations - Management of Contracts Needs Improvement	7	7		
		Toronto Water				
36	Oct 2017	Improving the Effectiveness of the Basement Flooding Protection Subsidy Program	8	8		
		Transportation Services				
37	Oct 2020	Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes	13	5		8
38	Jun 2021	Winter Road Maintenance Program – Phase 2 Analysis: Deploying Resources	2		2	
39	Jun 2023	Winter Maintenance Program Follow-Up: Status of Previous Auditor General's	4	3		1

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		Recommendations and Processes to Hold Contractors Accountable to New Contract Terms				
		CONFIDENTIAL RECOMMENDATIONS	8	8	0	0
40	Various	Confidential recommendations in this follow-up cycle (eight recommendations from six reports listed in Confidential Attachment 1)	8	8		
		Total	157	120	7	30

Exhibit 2: Status of Outstanding Recommendations in Auditor General Reports as of April 30, 2025

This exhibit provides the total number of recommendations outstanding at the end of this follow-up cycle, including recommendations reported by management as fully implemented, and not yet verified by the Auditor General. For the details of each of the recommendations reported as fully implemented by management, refer to **Attachment 3**.

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
Reports Reviewed in 2025 Follow-up Process						
COMMUNITY AND EMERGENCY SERVICES			27	14	0	13
	Toronto Shelter and Support Services					
1	May 2022	Part 1 of the Audit of Emergency Shelters: A Focus on Case Management	12	4		8
2	May 2022	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations	15	10		5
CORPORATE SERVICES			198	145	5	48
	Corporate Real Estate Management					
3	Jun 2016	Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services	14	7		7
4	Jun 2016	Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts	16	14		2
5	Jun 2017	Real Estate Services Division - Restore Focus on Union Station Leasing	21	15		6
6	Jun 2021	Challenges in Contract Management - Auditor General's Review of the	19	14		5

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Corporate Real Estate Management Division				
	Fleet Services					
7	Oct 2019	Fleet Services Operational Review Phase Two – Stronger Asset Management Needed	20	18		2
	Environment, Climate and Forestry					
8	Jun 2018	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement	12	8		4
9	Apr 2019	Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services	10	8		2
10	Feb 2021	Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit	17	11		6
	Technology Services					
11	Mar 2008	Disaster Recovery Planning for City Computer Facilities	7	4		3
12	Jun 2014	Controls Over Telecommunication Expenses Need Improvement	20	18		2
13	Jan 2018	IT Infrastructure and IT Asset Management Review: Phase 1: Establishing an Information Technology Roadmap to Guide the Way Forward for Infrastructure and Asset Management	15	13		2
14	Feb 2021	Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System	10	7	1	2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
15	Jun 2021	City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	3	1		2
16	Nov 2023	Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects	14	7	4	3
FINANCE AND TREASURY SERVICES			28	18	0	10
	Pension, Payroll and Employee Benefits					
17	Oct 2015	Management of the City's Long-Term Disability Benefits Phase One: Improving City Management to Address Growing Trends in Long-Term Disability Benefits	13	12		1
	Revenue Services					
18	Mar 2017	Auditor General's Review of Toronto Water Billing and Collections - Phase II: Water Billing and Water Meter Management Controls Require Strengthening	15	6		9
INFRASTRUCTURE SERVICES			26	17	0	9
	Transportation Services					
19	Oct 2020	Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes	22	14		8
20	Jun 2023	Winter Maintenance Program Follow-Up: Status of Previous Auditor General's	4	3		1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Recommendations and Processes to Hold Contractors Accountable to New Contract Terms				
CONFIDENTIAL RECOMMENDATIONS			30	16	5	9
21	Various	Confidential recommendations (5 reports listed in Confidential Attachment 1)	30	16	5	9
AGENCIES AND CORPORATIONS			33	24	0	9
	Toronto Community Housing Corporation					
22	Mar 2019	Moving Forward Together: Opportunities to Address Broader City Priorities in TCHC Revitalizations	23	21		2
23	Nov 2021	Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services	10	3		7
Reports Not In Scope For 2025 Follow-up Process						
COMMUNITY DEVELOPMENT AND SOCIAL SERVICES			20	15	1	4
	Children Services					
24	Apr 2018	Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds	20	15	1	4
COMMUNITY AND EMERGENCY SERVICES			22	19	0	3
	Toronto Paramedic Services					
25	Oct 2013	Emergency Medical Services - Payroll and	12	10		2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Scheduling Processes Require Strengthening				
	Parks and Recreation					
26	Jan 2009	Parks, Forestry and Recreation - Capital Program - The Backlog in Needed Repairs Continues to Grow	10	9		1
CORPORATE SERVICES			133	97	3	33
	Corporate Real Estate Management					
27	Sep 2005	Maintenance and Administrative Controls Review – Facilities and Real Estate	32	27		5
28	Oct 2012	A Mid-Term Review of the Union Station Revitalization: Managing Risks in a Highly Complex Multi-Year, Multi-Stage, Multi-Million Dollar Project	20	19	1	
29	Feb 2015	Facilities Management - Security and Safety Improvements Required	22	19		3
30	Jun 2018	Enhance Focus on Lease Administration of City-owned Properties	19	2		17
	Customer Experience (311)					
31	Oct 2011	311 Toronto - Full Potential For Improving Customer Service Has Yet To Be Realized	12	10		2
	Technology Services					
32	Feb 2015	Software Licenses - Managing the Asset and Related Risks	14	11		3
33	Jun 2018	Information Technology Infrastructure and Asset Management Review: Phase 2: Establishing Processes for Improved Due Diligence, Monitoring	8	6		2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		and Reporting for Effective IT Projects and Asset Management				
34	Jun 2018	Improvement Needed in Managing the City's Wireless Telecommunication Contracts	5	3	2	
35	Jul 2021	Supplementary Report: City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	1			1
DEVELOPMENT AND GROWTH SERVICES			159	64	30	65
	City Planning					
36	Feb 2022	Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations	2		1	1
	Housing Secretariat					
37	Jun 2014	Strengthening the City's Oversight of Social Housing Programs	14	13		1
38	Jun 2019	Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing	28	23		5
39	Oct 2019	Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit	13	5	1	7
40	Oct 2020	Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program	11		11	

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
41	Jun 2023	City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs	20		15	5
	Toronto Building					
42	Jan 2012	Toronto Building Division - Building Permit Fees, Improving Controls and Reporting	11	8		3
43	Mar 2017	Toronto Building Division - Strengthening System Controls to Safeguard Cash Receipts	6			6
44	Oct 2017	Toronto Building Division: Conditional Permits	17	15		2
45	Jun 2023	Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses	6		1	5
46	Feb 2023	Building Better Outcomes - Audit of Toronto Building's Inspection Function	20		1	19
47	Feb 2024	Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits	11			11
FINANCE AND TREASURY SERVICES			146	95	17	34
	Accounting Services					
48	Oct 2009	City Purchasing Card (Pcard) Program - Improving Controls Before Expanding the Program	20	19		1
49	Apr 2012	Review of The Management of the City's Divisional Accounts Receivable	8	5	1	2
	Pension, Payroll & Employee Benefits					
50	Oct 2020	Continuous Controls Monitoring Program: Opportunities to	4	3		1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Reduce Cost of Dental Benefits				
51	Oct 2020	Employee Health Benefits Fraud Involving a Medical Spa	5	4		1
	Purchasing and Materials Management					
52	Oct 2012	City Stores: Maximize Operating Capacity to Be More Efficient	9	7	1	1
53	Feb 2015	Review of Divisional Purchase Orders	4	3		1
54	Oct 2016	Strengthening Enforcement of the Fair Wage Policy	13	12	1	
55	Oct 2017	Obtaining the Best Value Through the Use of Vendor Rosters	8		8	
56	Jun 2019	Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes	20	10	5	5
57	Jun 2023	A Review of the Procurement and Award of the Winter Maintenance Performance-Based Contracts	16		1	15
	Revenue Services					
58	Oct 2015	Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)	15	14		1
59	Feb 2016	Audit of Water Billing and Collection- Phase 1: Overdue Water Account Collections Require Strengthening	19	15		4
60	Oct 2016	Audit of Water Billing and Collection - Phase II: Part 1- Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue	5	3		2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
INFRASTRUCTURE SERVICES			32	18	7	7
	Engineering and Construction Services					
61	Jun 2019	Engineering and Construction Services - Phase Two: Construction Contract Change Management Controls Should Be Strengthened	4		1	3
	Municipal Licensing and Standards					
62	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part One: Licence Issuance, Inspection and Complaint Investigation Functions	7	3	4	
63	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Two: Licensed Holistic Centres	2			2
64	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs	4	2	2	
	Transportation Services					
65	Apr 2012	Inventory Controls Over Traffic Control Devices in Transportation Services Need to be Improved	9	8		1
66	Mar 2017	Detection of Warning Signs for Potential Bid Rigging Should be Strengthened	6	5		1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
CITY MANAGER			16	12	2	2
	City Manager's Office					
67	May 2014	Cost Benefits of Extended Warranties for Construction Projects Are Unknown	4	3	1	
68	Feb 2015	Service Efficiency Consultants Studies - Extent of Value for Money From Studies Has Not been Clearly Demonstrated	3	2	1	
	Office of the Chief Information Security Officer					
69	July 2021	Implementation of Cybersecurity High-Risk Recommendations Needs to be Expedited and Completed	1			1
	People and Equity					
70	Jun 2014	Opportunities to Enhance the Oversight of Non-Union Employee Separation costs	8	7		1
CITY SOLICITOR			31	25	0	6
	Court Services					
71	Apr 2018	Toronto Court Services: Collection of Provincial Offence Default Fines	31	25		6
CONFIDENTIAL RECOMMENDATIONS			17	11	4	2
72	Various	Confidential recommendations (3 reports listed in Confidential Attachment 1)	17	11	4	2
AGENCIES AND CORPORATIONS			268	110	44	114
	Toronto Parking Authority		19	12	7	
73	Jan 2016	Toronto Parking Authority Phase 2: Audit of the	12	8	4	

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Revenue Operations of Off-Street Controlled Facilities				
74	Jun 2017	Auditor General's Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2	6	4	2	
75	Apr 2021	Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues	1		1	
	Toronto Police Service		51		1	50
76	Jun 2022	Toronto Police Service - Audit of 9-1-1 Public Safety Answering Point Operations Better Support for Staff, Improved Information Management and Outcomes	26			26
77	Jun 2022	Review of Toronto Police Service - Opportunities to Support More Effective Responses to Calls for Service A Journey of Change: Improving Community Safety and Well-Being Outcomes	25		1	24
	Toronto Transit Commission		198	98	36	64
78	Jan 2014	Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration	19	18		1
79	Feb 2015	Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and	21	16	1	4

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Equipment Management and Maintenance				
80	May 2017	Review of Toronto Transit Commission Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings	19	13		6
81	Sep 2017	Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management	9	4	4	1
82	Oct 2017	Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note	3	1	2	
83	Jan 2018	Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement	4		4	
84	May 2018	Toronto Transit Commission: Managing Telecommunication Contracts and Payments	13	12	1	
85	Jun 2018	Review of Toronto Transit Commission (TTC) Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs	20	2	12	6
86	Feb 2019	Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection	27	8	3	16

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
87	Oct 2019	Review of Toronto Transit Commission's Revenue Operations: Phase Two - PRESTO/TTC Fare Equipment and PRESTO Revenue	34	24	4	6
88	Nov 2023	Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays	20			20
89	Nov 2023	Confidential recommendations (1 report listed in Confidential Attachment 1)	9		5	4
Total			1186	700	118	368

**As of April 30, 2025*

Recently Issued Reports Excluded from the list of Outstanding Recommendations – Reports Issued between June 2024 to February 2025

#	Date	Auditor General Reports	Auditor General Report Recommendations
1	Feb 2025	Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further	15
2	Jan 2025	Securing Online Confidential Committee and Board Meetings: Sharing Best Practices at the City, and its Agencies and Corporations	2
3	Jan 2025	Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving Park Asset Management and Repair Processes	9
4	Dec 2024	Audit of Software Acquisition and Licence Management - Managing and Optimizing Value from Software Licences	10
5	Sep 2024	Audit of Parks Branch Operations – Phase 1: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe	9
6	Sep 2024	Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement - An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal	9
7	Jun 2024	Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System	10
8	Jun 2024	Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes	15
9	Jun 2024	Investigation into Allegations of Reprisal for Reporting a Conflict of Interest	2
CONFIDENTIAL RECOMMENDATIONS			
10	Various	Confidential Recommendations – Agencies and Corporations – 3 reports	20
		Total	101

Exhibit 3: Aging of High Priority Not Fully Implemented Recommendations

Service Area / Entity	Less than 5 years	Between 5-10 years	More than 10 years	Total
Community Development and Social Services	-	4	-	4
Children's Services	-	4	-	4
Community and Emergency Services	6	-	3	9
Parks and Recreation	-	-	1	1
Toronto Shelter and Support Services	1	-	-	1
Toronto Fire Services	5	-	-	5
Toronto Paramedic Services	-	-	2	2
Corporate Services	8	46	11	65
Corporate Real Estate Management	-	28	5	33
Customer Experience (311)	-	-	2	2
Fleet Services	-	1	-	1
Environment, Climate and Forestry	4	6	-	10
Technology Services	4	11	4	19
Development and Growth Services	-	14	4	18
Housing Secretariat	-	6	1	7
Toronto Building	-	8	3	11
Finance and Treasury Services	2	22	4	28
Accounting Services	-	-	3	3
Pension, Payroll & Employee Benefits	2	1	-	3
Purchasing and Materials Management	-	6	1	7
Revenue Services	-	15	-	15
Infrastructure Services	2	6	1	9
Engineering and Construction Services	-	3	-	3
Municipal Licensing and Standards	-	2	-	2
Toronto Water	2	-	-	2
Transportation Services	-	1	1	2
City Manager	1	-	1	2
Office of the CISO	1	-	-	1
People and Equity	-	-	1	1
City Solicitor	-	6	-	6
Court Services	-	6	-	6
Agencies and Corporations	38	42	1	81
Toronto Community Housing Corporation	-	5	-	5
Toronto Police Service	24	-	-	24
Toronto Transit Commission	14	37	1	52
Total	57	140	25	222²⁶

²⁶ There are 14 high priority recommendations that were included in this follow-up cycle and were concluded as not fully implemented. These are not reflected in the table above.

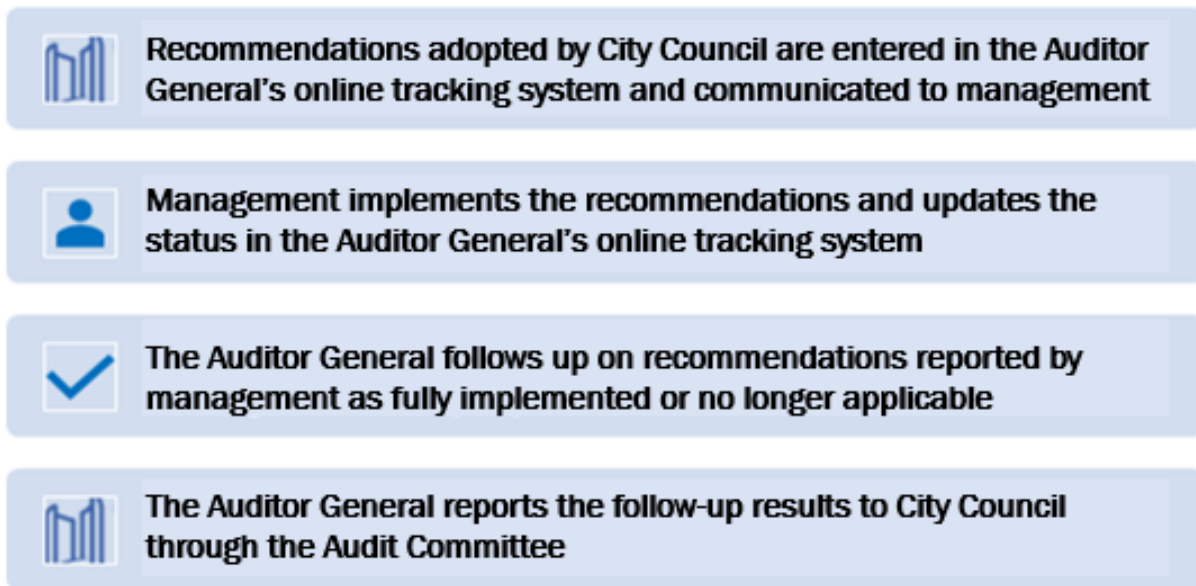
Exhibit 4: Auditor General's Follow-Up Process

Accountability and transparency

The Auditor General's follow-up process begins when the recommendations in an audit, investigation, or other report are adopted by Audit Committee and City Council, and the Board of Directors (for agencies and corporations). The follow-up system allows management to update the status of implementation and the action plans for open Auditor General recommendations and to upload supporting documents for recommendations reported as fully implemented at any time.

A reasonable amount of time (12-18 months) is provided for management action plans to be implemented before any follow-up work is performed. The Auditor General performs follow-up work only on recommendations reported by management as either fully implemented or no longer applicable. The verification of outstanding recommendations is an ongoing process, and reported in the annual consolidated follow-up report, usually at the July Audit Committee meeting. An overview of the Auditor General's follow-up process is provided in **Figure 7**.

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



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

Recommendations are considered outstanding when:

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

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

A recommendation reported by management as no longer applicable or not relevant relates to areas or programs where a reorganization or changes in business practices, processes and/or service levels have rendered them no longer applicable.

Recommendations determined as not fully implemented during the follow-up review are changed back to in progress by management. Management should fully address the areas identified for further action before updating the recommendation status back to fully implemented. The Auditor General will re-assess the recommendation later when management implements their action plans and reports the recommendation as fully implemented. After a recommendation is assessed as fully implemented or no longer applicable by the Auditor General, it is closed.

For recommendations that are multi-part (for example, recommendation 1 with parts a, b, and c, each part must be addressed by management and assessed as fully implemented by the Auditor General to be closed. Meetings are held with management to explain the results of the follow-up review.

**Less significant issues
communicated directly to
management**

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

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

**AUDITOR
GENERAL**

TORONTO