

Investigation into the Procurement of the Paylt Platform

Date: April 17, 2026
To: Audit Committee
From: Auditor General
Wards: All

SUMMARY

This report provides the outcome of the Auditor General's Office's investigation into the procurement of the Paylt platform.¹

In 2024, after the Auditor General issued an audit report on the procurement and implementation of Paylt's unsolicited proposal, City Council requested the Auditor General to consider further investigating:

- a. the decision-making process that resulted in the score sheet used for the Request for Proposal;
- b. whether there are additional City records located on the City's servers or on private cell phones and emails of senior City staff that merit further investigation; and,
- c. whether a further forensic investigation on the procurement is required.

Following City Council's request, the Auditor General's Office undertook an investigation that examined two lines of inquiry:

1. an explanation for the **removal of the detailed scoring breakdown** in the published call document for proponents of the Swiss Challenge negotiated Request for Proposal (SC-nRFP), determining **who removed** the detailed scoring and **who approved** this change; and, beyond City Council's request, **whether any wrongdoing occurred** on behalf of any current or former City staff and/or Senior Management; and,
2. based on additional interviews and any potential additional City records located on City servers or on private cell phones and emails of senior City staff that

¹ The Paylt platform refers to a digital government platform offered by Paylt LLC.

provide further information and/or merit further investigation and beyond City Council's request, to **determine any further reasoning for not following the City's policy and process** throughout the procurement of the Paylt platform during 2019 to 2021, including the **unsolicited proposal, proceeding with the proof of concept** and the **transparency of reporting to City Council**; and **whether any wrongdoing occurred** on behalf of any current or former staff and/or Senior Management.

Our investigation found the following:

- The [then] Senior Corporate Buyer removed the detailed scoring breakdown, but there was conflicting and insufficient evidence to conclude on who directed them to do so and who approved the change, and why the change was made.
- City staff and [then] Senior Management did not always follow City policies, processes, and by-laws during the unsolicited proposal process and procurement of the Paylt platform, including some use of personal email addresses to conduct City business.
- Other observations include the potential reasons and motivation for not complying with City policies and by-laws. Both staff and the former Senior Management interviewees said they felt pressure, for different reasons, to proceed with the digital transformation, which included the Paylt procurement.

Despite the policy and by-law violations noted in the report, based on the interviews and available evidence reviewed and in the Auditor General's view, these do not meet the threshold of wrongdoing as defined by the *Toronto Public Service By-law*.

The findings of this investigation reinforce the need to implement the nine recommendations from our 2024 audit. This will improve the City's unsolicited proposal policy and process and the procedure for conducting a Swiss Challenge, as well as support addressing the proof of concept process concerns. This investigation and our 2024 audit report also reinforce the importance of management's leadership and commitment to ensuring openness, fairness, and transparency in City procurement. The current Senior Leadership Team can continue to model and promote a culture that encourages compliance with City policies and by-laws.

Given the challenges that arise from the length of time that has passed since the unsolicited proposal and procurement of Paylt began (approximately seven years), including the lack of available information and devices, as well as the inability of individuals to recall accurately or completely, it is the Auditor General's view that further investigative work is unlikely to yield any further relevant information and/or benefits that would materially impact the findings of this investigation. We also note that Senior Management and the Senior Leadership Team that were involved and referred to in this report are no longer with the City or are in different roles.

We express our appreciation for the co-operation and assistance we received from current and former City staff and Senior Management throughout our investigation.

RECOMMENDATIONS

The Auditor General recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

The recommendation in this report has no financial impact.

DECISION HISTORY

At the October 15, 2024 Audit Committee meeting, [AU6.2 - Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal](#) was considered and adopted with amendments.

On November 13, 2024, City Council amended [AU6.2 - Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the Paylt Unsolicited Proposal](#) to have City Council request the Auditor General to consider further investigating:

- a. the decision-making process that resulted in the score sheet used for the Request for Proposal;
- b. whether there are additional City records located on the City's servers or on private cell phones and emails of senior City staff that merit further investigation; and,
- c. whether a further forensic investigation on the procurement is required.

COMMENTS

The attached investigation report provides detailed investigation results to the Audit Committee and members of Council.

CONTACT

Elaine Au, Assistant Auditor General, Forensic Unit, Auditor General's Office
Tel: 416-392-8437, Email: Elaine.Au@toronto.ca

Sean MacIntosh, Director, Forensic Unit, Auditor General's Office
Tel: 416-392-8460, Email: Sean.MacIntosh@toronto.ca

Jennifer Carriere, Senior Manager, Forensic Unit, Auditor General's Office
Tel: 416-338-1020, Email: Jennifer.Carriere@toronto.ca

SIGNATURE

Tara Anderson
Auditor General

ATTACHMENTS

Attachment 1: Investigation into the Procurement of the PayIt Platform