

Auditor General's 2026 Consolidated Follow-up Report

Status of Outstanding Recommendations for City Divisions, Agencies and Corporations

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**AUDITOR
GENERAL**

TORONTO

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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 recommendations reported by management as fully implemented. The Auditor General’s follow-up process is described in further detail in **Exhibit 4**.

City division, agency and corporation recommendation 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 overall results of the recommendations selected by the Auditor General for review during the period from June 1, 2025 to May 31, 2026.

The following Agencies and Corporations were included in this follow-up cycle:

- Toronto Police Service (TPS)
- Toronto Transit Commission (TTC)
- Toronto Parking Authority (TPA)

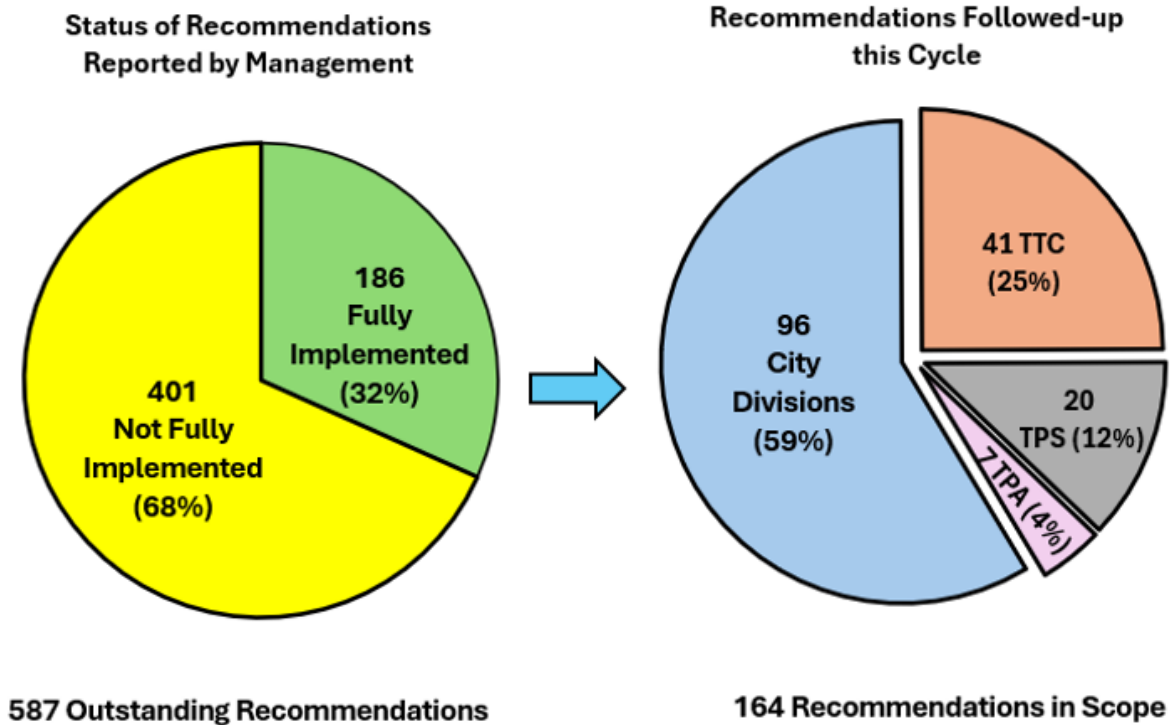
The follow-up results for TPS and TPA were separately reported to their Boards in May 2026. The TTC’s follow-up results were reported to their Audit, Finance and Risk Management Committee in May 2026 and to their Board in June 2026.

At the beginning of this follow-up cycle on June 1, 2025, there were 587 open recommendations for City divisions, agencies and corporations (**Figure 1**).

164 recommendations in scope; 96 City division and 68 agency & corporation recommendations

There were 186 recommendations reported as fully implemented by management. These included 118 recommendations reported as fully implemented at the beginning of the follow-up cycle, and an additional 68 recommendations that were reported as fully implemented while we were performing the follow-up work. The Auditor General selected 164 recommendations (96 for City divisions, and 68 for various agencies and corporations) to be in scope for this follow-up cycle from the 186 recommendations reported as fully implemented.

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



We focused our follow-up work 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.

Focused on 117 high priority recommendations

The 164 recommendations selected for review were from 45 Auditor General reports and included 117 high priority recommendations.

Divisions / Agencies and Corporations	Number of Reports	Number of High Priority Recs	Number of Other Recs	Total Recs
City Divisions	31	59	37	96
TPA	3	6	1	7
TPS	2	11	9	20
TTC	9	41	-	41
Total	45	117	47	164

The 96 City recommendations mostly related to the following divisions:

Corporate Services

- Corporate Real Estate Management
- Technology Services

Development and Growth Services

- Housing Secretariat

Finance and Treasury Services

- Purchasing and Materials Management

Infrastructure Services

- Engineering and Construction Services
- Municipal Licensing and Standards

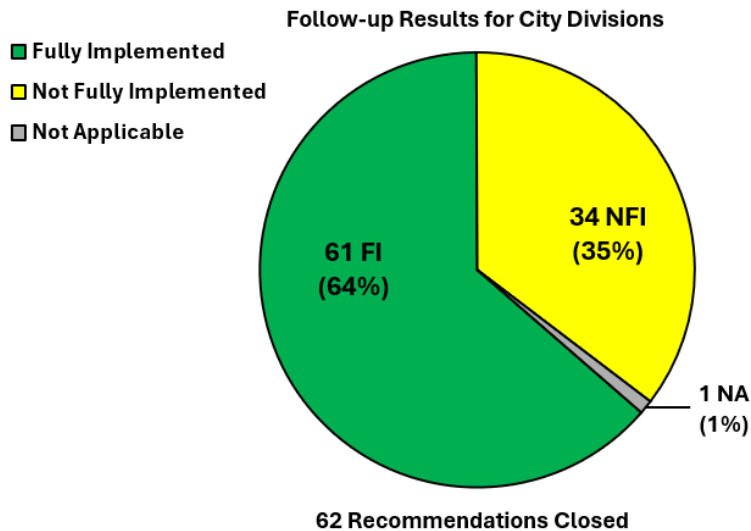
62 City division recommendations were closed in this follow-up cycle, 34 assessed as not fully implemented

From the 96 City recommendations we selected for review, 61 were assessed as fully implemented (FI) and one as no longer applicable. We assessed 34 as not fully implemented (NFI), and 17 of these were high priority.

A recommendation may be determined by the Auditor General as not fully implemented 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. The Auditor General will reassess these recommendations later when management reports them as fully implemented.

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 2026 Follow-up Review



As shown in **Figure 2** above, 65 per cent of the recommendations we followed up for City divisions have now been closed (as fully implemented or no longer applicable) and 35 per cent represent the recommendations that were assessed as not fully implemented.

The majority of the City recommendations assessed as not fully implemented were from six audit reports for three divisions¹. It is important to note that management continues to make progress on addressing outstanding recommendations.

For agencies and corporations, the results were as follows:

For agencies and corporations - 62 recommendations closed in this follow-up cycle, 6 assessed as not fully implemented

Agencies & Corporations	In Scope Recs	Auditor General's Assessments*			Recs Closed
		FI	NA	NFI	
TPA (3 reports)	7	4	2	1	86%
TPS (2 reports)	20	15	1	4	80%
TTC (9 reports)	41	38	2	1	98%
Total	68	57	5	6	91%

* FI - Fully Implemented, NA - No Longer Applicable, NFI - Not Fully Implemented

The overall implementation rate for all City divisions, agencies and corporations' recommendations reviewed in this follow-up cycle was 76 per cent (124 out of 164). Recommendations closed in the follow-up system are not included in future follow-up reviews.

Noteworthy results and management actions are highlighted under the **"Noteworthy Results"** section in this report. 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**² and confidential recommendations and report highlights are included in **Confidential Attachment 1**.

¹ The majority of the differences for not fully implemented recommendations were from three divisions Housing Secretariat (15 recommendations from 2 reports), Corporate Real Estate Management (7 recommendations from 2 reports), and Purchasing and Materials Management (4 recommendations from 2 reports).

² 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.

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-financial benefits.

For every dollar invested in the Auditor General's Office, there was a return of about \$9.74

The total cumulative one-time and annually recurring savings projected over a five-year period realized in 2025 was over \$49.3 million; with a total cumulative estimated savings in our five most recent annual reports (from 2021 to 2025) totaling over \$342 million. For every dollar invested in our Office, there was a return of approximately \$9.74. The Auditor General's 2025 Annual Report is available at:

[Auditor General's 2025 Annual Report Demonstrating the Value of the Auditor General's Office](#)

New savings identified from this follow-up cycle of approximately **\$14.015 million**, and any additional savings identified between now and year end will be included in the Auditor General's 2026 Annual Report.

Overall City-wide Status of Auditor General Recommendations

88% of recommendations have been closed since 1999

Since 1999, the Auditor General has made 3,755 recommendations in 432 reports, issued up to May 2025. Of these, 3,292 (88 per cent) recommendations are closed.

At the end of this follow-up cycle on May 31, 2026, there were 60 recommendations (47 for City divisions, 13 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.

Figure 3: Status of Auditor General Recommendations Since Inception (1999) as of May 31, 2026

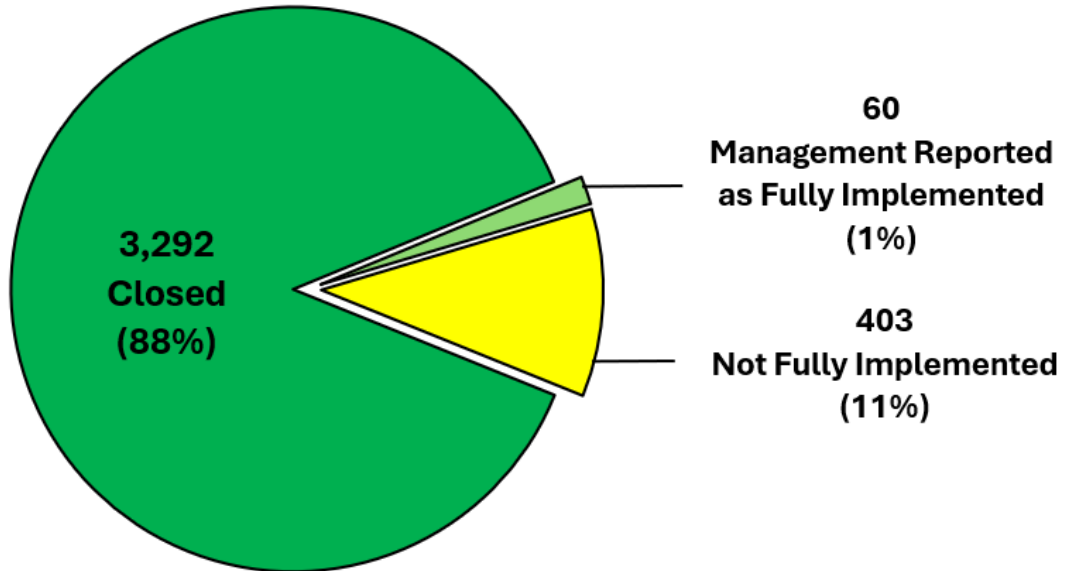


Figure 3 above illustrates the status of all recommendations issued since 1999. Recent reports issued between June 2025 to May 2026 are not included in the current follow-up process to give management time to fully implement the recommendations³. These will be included in future follow-up cycles.

A list of the reports with outstanding recommendations for City divisions, agencies and corporations is provided in **Exhibit 2**.

As of May 31, 2026 there were 90 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, or
- management actions are still in progress, or
- the Auditor General's Office has not yet verified the status of recommendations reported by management as either fully implemented or no longer applicable.

³ Figure 3 and the overall statistics provided in the report do not include any recommendations from reports issued between June 2025 to May 2026, nor do they include any management letter recommendations.

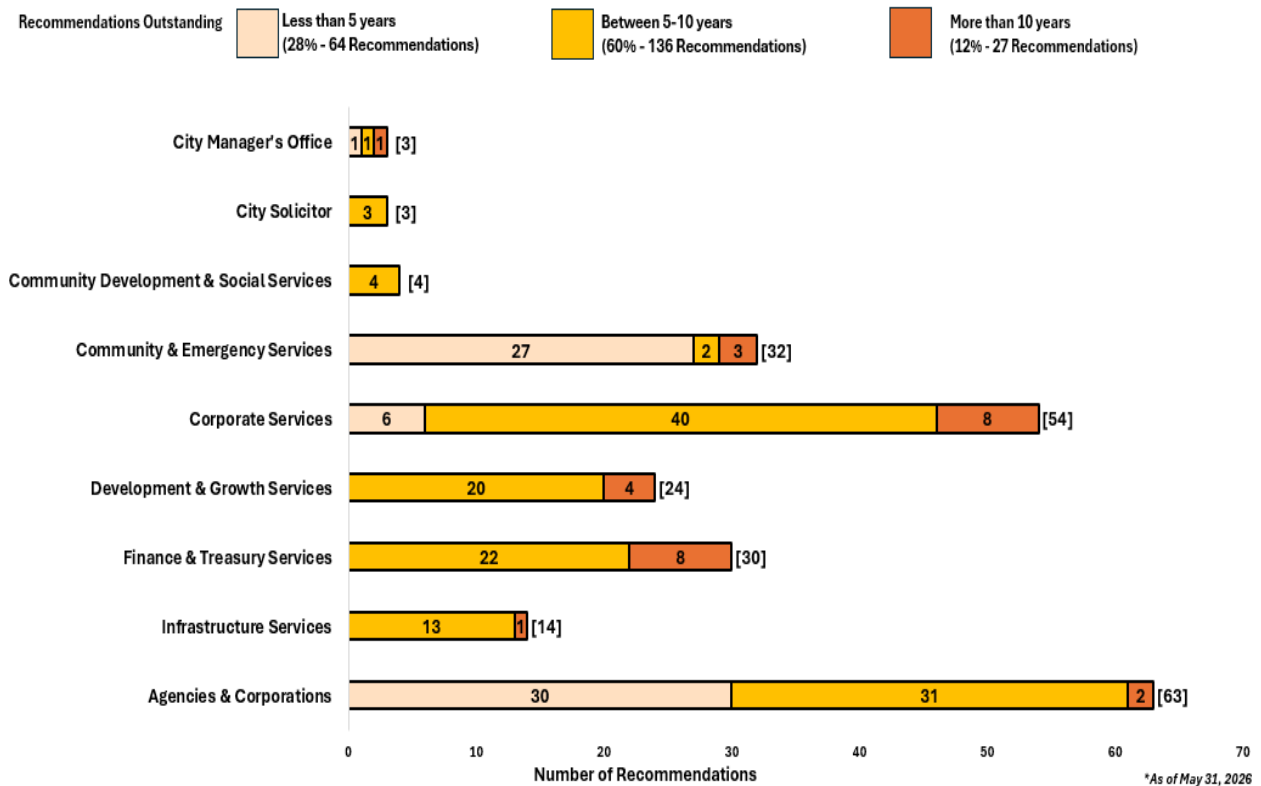
227 high priority recommendations to be expedited; 163 outstanding over 5 years

At the end of the 2026 follow-up cycle there were a total of 403⁴ recommendations not fully implemented for City divisions, agencies and corporations. These include 227 high priority recommendations, of which 163 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 May 31, 2026, is provided below in **Figure 4**.

Figure 4: Aging of High Priority Recommendations Not Fully Implemented as of May 31, 2026⁵



⁴ We assessed 40 recommendations as not fully implemented in the current cycle, 22 of these 40 recommendations are high priority.

⁵ The agencies and corporations are Toronto Community Housing Corporation, Toronto Parking Authority, Toronto Police Service and Toronto Transit Commission.

Some recommendations may require more time than others to implement

We acknowledge that some recommendations may require more time than others to implement. Overall, management has made 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, such as certain recommendations (older than five years and some older than 10 years) made to the Corporate Real Estate Management and Purchasing and Materials Management divisions.

The City Manager's Office continues to assist in implementing these recommendations through centralized oversight and directives to divisions. In addition to the divisions noted above, there are other City divisions, including Revenue Services, Toronto Building, Housing Secretariat, and Transportation Services, that have long outstanding recommendations (older than five years and some older than 10 years) which should be prioritized.

There are 227 high priority recommendations outstanding; these include 136 recommendations outstanding between five to 10 years and 27 outstanding for more than 10 years. Continued focus from the City Manager's Office will assist divisions in expediting the implementation of these recommendations.

Management provided an update on the percentage completion status of outstanding recommendations

The Auditor General requested the City divisions to provide an update on the percentage completion status of implementing outstanding recommendations. This information is included in **Attachment 4** and in the **2026 Follow-Up Cycle Results** section.

Overall, management reported that 34 per cent (98 out of 292) of the outstanding recommendations are up to 25 per cent complete, 20 per cent (60 out of 292) are 50 per cent complete and 46 per cent (134 out of 292) are 75 per cent complete. Management has provided this status update as a self-assessment of the percentage completion progress - these percentages have not been verified by the Auditor General.

Management can request support from Internal Audit

As management works to implement and update their status on Auditor General recommendations, they can also request assistance from the City's Internal Audit division. The Internal Audit Division's guidelines, which outline their supportive role to management, are available internally to divisions on the City's intranet site.

In this follow-up cycle, there was a significant increase in the number of City recommendations assessed by the Auditor General as not fully implemented compared to the 2025 follow-up.

35% of City Division recommendations were determined as not fully implemented

In last year's follow-up cycle for City divisions, we reported 19 per cent (30 out of 157) of the recommendations reviewed as not fully implemented compared to 35 per cent (34 out of 96) of the recommendations determined as not fully implemented in this cycle.

City can consider good practice for revised follow-up approach implemented at the TTC

TTC's revised approach to follow-up, as endorsed by its Audit, Finance and Risk Management Committee, includes their Audit, Risk and Compliance team completing preliminary validation work prior to it being reported by management in our online system as fully implemented. It is noteworthy that in this follow-up cycle for the TTC there was only one of the 41 recommendations reported as fully implemented that was assessed by our Office as not fully implemented. This is a significant improvement compared to the previous follow-up where 20 per cent of the recommendations we reviewed were determined as not fully implemented by the Auditor General. This is a potential approach for the City and its other agencies and corporations to consider going forward.

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.

2026 Follow-up Cycle Results

At the beginning of this follow-up cycle on June 1, 2025, there were 587 outstanding recommendations. Management reported 186 of these recommendations as fully implemented or no longer applicable (Figure 1).

City Divisions

96 City recommendations selected for review

We reviewed 96 (Figure 2) recommendations made to City divisions during this follow-up cycle. We assessed 61 recommendations as fully implemented, one as no longer applicable and 34 as not fully implemented.

At the end of the follow-up cycle, there were 339 outstanding City division recommendations as follows:

- 47 recommendations reported by management as fully implemented and not yet verified by the Auditor General
- 292 in-progress recommendations. Management reported its progress towards implementing the 292 outstanding recommendations as follows:

Recommendations	Percentage Completed			
	Up to 25%	50%	75%	Total
# of Recommendations	98	60	134	292
% of Total Recommendations	34%	20%	46%	100%

Management provided a self-assessment percentage completion status update on implementing their outstanding recommendations as of May 31, 2026 as follows:

- 34 per cent (98 out of 292) of recommendations are up to 25 per cent complete
- 20 per cent (60 out of 292) of recommendations are 50 per cent complete
- 46 per cent (134 out of 292) of recommendations are 75 per cent complete

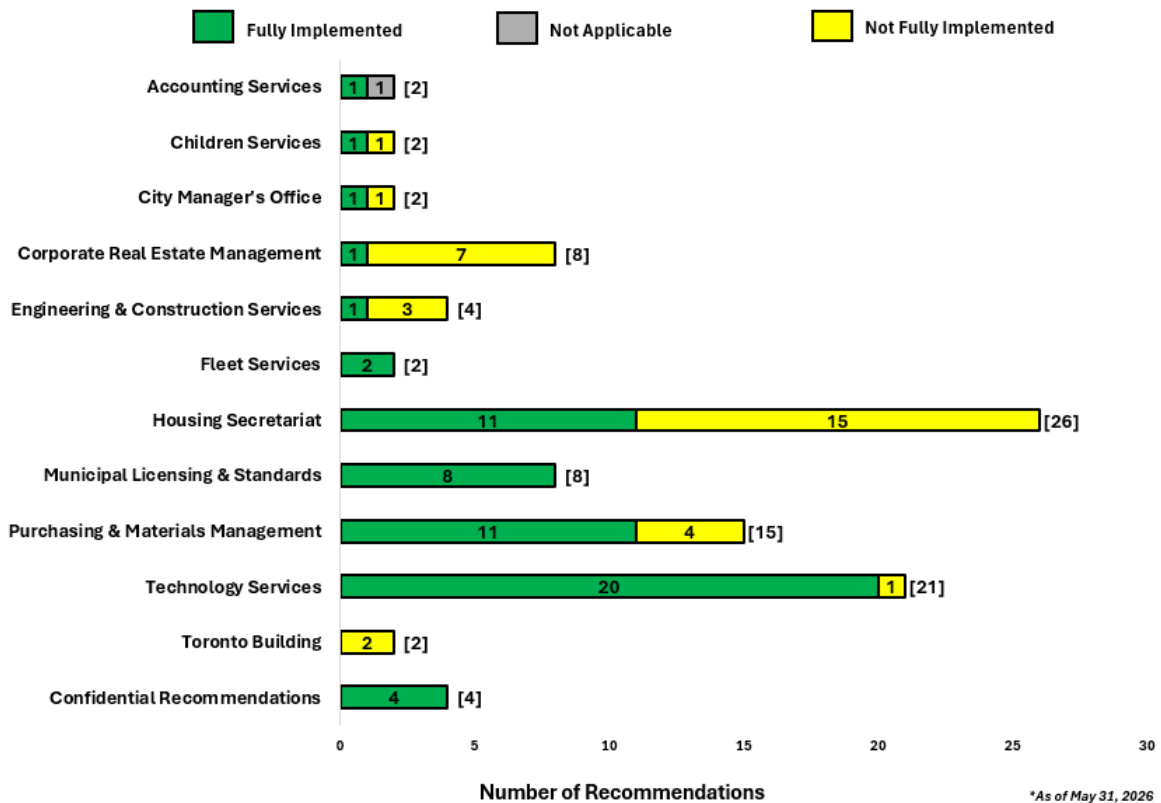
Overall, 66 per cent (194 out of 292) of all the outstanding City recommendations are between 50 per cent and 75 per cent completed.

The Auditor General is planning to expand the reporting of percentage completion status to agencies and corporations in the 2027 follow-up cycle.

The results of our assessments for each division are summarized below in **Figure 5**. The audit reports and the number of recommendations included in this follow-up cycle are 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**.

The recommendations reported by management as fully implemented which have not yet been verified by the Auditor General are included in **Attachment 3**. Management’s self-assessment of the work completed on the outstanding recommendations as of May 31, 2026 is included in **Attachment 4**.

Figure 5: Follow-up Results for City Divisions



Agencies and Corporations

Agency follow-up results were reported to their respective Boards in May/June 2026

For TPS, 15 recommendations were fully implemented, 1 was no longer applicable and 4 were not fully implemented

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

1) Toronto Police Service (TPS) Reports:

The Auditor General reviewed 20 recommendations from two reports. We assessed 15 recommendations as fully implemented, one as no longer applicable and four as not fully implemented. At the end of this follow-up cycle 35 recommendations were still outstanding from these two reports.

The results of this follow-up work were tabled at TPS's Board meeting on May 14, 2026. The follow-up report is available at:

Cover & Full Report:

[Toronto Police Service – 2026 Follow-up – Status of Previous Auditor General's Recommendations](#)

2) Toronto Transit Commission (TTC) Reports:

For TTC, 38 recommendations were fully implemented, 2 were no longer applicable and 1 was not fully implemented

The Auditor General reviewed 41 recommendations from nine reports. We assessed 38 recommendations as fully implemented, two as no longer applicable and one as not fully implemented. At the end of this follow-up cycle 55 recommendations were still outstanding from eight Auditor General reports.

The results of this follow-up work were tabled at TTC's Audit, Finance and Risk Management Committee meeting on May 26, 2026 and its Board meeting on June 3, 2026. The report included overall savings of approximately \$12.9 million realized as a result of management actions in implementing the recommendations. The follow-up report is available at:

Cover Report:

[Toronto Transit Commission – 2026 Follow-up – Status of Previous Auditor General's Recommendations](#)

Full Report:

[TTC 2026 Follow-up Status of Previous AGs Recommendations](#)

3) Toronto Parking Authority (TPA) Reports:

For TPA, 4 recommendations were fully implemented, 2 were no longer applicable and 1 was not fully implemented

The Auditor General reviewed seven recommendations from three reports. We assessed four recommendations as fully implemented, two as no longer applicable and one as not fully implemented. At the end of this follow-up cycle one recommendation (the one not fully implemented recommendation reviewed) was outstanding.

The results of this follow-up work were tabled at TPA's Board meeting on May 29, 2026. The report included overall savings of

approximately \$817,000 as a result of management actions in implementing the recommendations. The follow-up report is available at:

Cover Report:

[Toronto Parking Authority – 2026 Follow-up – Status of Previous Auditor General’s Recommendations](#)

Full Report:

[Toronto Parking Authority 2026 Follow-up](#)

41 per cent of the recommendations reviewed in this follow-up cycle were from agencies and corporations

During this follow-up cycle 41 per cent (68 out of 164) of the recommendations reviewed were from agencies and corporations.

Given the limited 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 Hydro Corporation
- Toronto Community Housing Corporation

The recommendations are listed in Confidential Attachment 1

Exhibit 2 outlines the status of agency and corporation recommendations on May 31, 2026. The Auditor General will include these agencies and corporations for review in future follow-up cycles.

Savings from Recommendations

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 consolidated savings related to the Auditor General’s recommendations that we verified in this follow-up cycle, including those from agencies and corporations. The total savings identified were approximately \$14.015 million (\$13.13 million in one-time and \$0.885 million in annual 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 management.

Table 1: Summary of Savings from Implementing Recommendations

Division/ Agency	Report Name	Savings in \$ 000's			
		One Time	Recurring Savings Projected Over 5 Years*	Total	Details on Page
Housing Secretariat	City of Toronto's Modular Housing Initiative: the Need to Balance Fast Delivery with Stronger Management of Contracts and Costs	\$140	-	\$140	28
Environment, Climate and Forestry	Audit of Interface Invoice Payments	\$56	\$68	\$124	31
Toronto Parking Authority	Improvement Needed in Managing the City's Wireless Telecommunication Contracts	-	\$817	\$817	See footnote ⁶
Toronto Transit Commission	Review of Toronto Transit Commission's Revenue Operations: Phase One - Fare Evasion and Fare Inspection	\$12,900	-	\$12,900	See footnote ⁷
	Review of Toronto Transit Commission's Revenue Operations - Phase Two - PRESTO/TTC Fare Equipment and PRESTO Revenue	\$34	-	\$34	See footnote ⁸
	TOTAL	\$13,130	\$885	\$14,015	

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

Management Letter Recommendations

Results of 4 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 four management letter recommendations across three reports in this follow-up cycle. We assessed all four recommendations as fully implemented. A separate report to the City Manager will be made on this work.

⁶ Refer to [Toronto Parking Authority 2026 Follow-up](#), page 9

⁷ Refer to [TTC 2026 Follow-up Status of Previous AGs Recommendations](#), page 10

⁸ Refer to [TTC 2026 Follow-up Status of Previous AGs Recommendations](#), page 13

Noteworthy Results

Corporate Services

Corporate Real Estate Management

Maintenance and Administrative Controls Review: Facilities and Real Estate, 2005

2005 audit highlighted the need for centre-led governance of facilities management across City-owned buildings

The Auditor General's 2005 [Maintenance and Administrative Controls Review - Facilities and Real Estate](#) audit highlighted issues with the decentralized control of City building operations by multiple City divisions. The 2005 report also emphasized that the City needed an overall governance function that could focus on developing and sharing policies, processes, standards, and best practices that other divisions, agencies and corporations could leverage and adopt, where feasible.

CREM continues work to implement five remaining recommendations

During this follow-up, the Corporate Real Estate Management Division (CREM) reported that five of the outstanding recommendations from the audit report were fully implemented. We noted that CREM has made notable progress in strengthening asset management practices over facilities the Division directly manages. However, continued effort towards building out a centre-led model is needed to ensure overall alignment and City-wide implementation of the recommendations across all City buildings (and not just the CREM directly managed portfolio). These five recommendations remain not yet fully implemented (in progress) until consistent City-wide implementation across all City buildings can be demonstrated.

In May 2017, CREM initiated steps towards a new City-wide real estate service delivery model that would apply a "whole of government" approach to real estate and facilities management activities.

A CREM centre-led model will support greater consistency, common practices, and shared asset management processes across the City

As part of this, CREM is advancing a centre-led corporate real estate model that supports greater consistency, common practices, and shared asset management processes across the City. Through the centre-led model, CREM is aiming to provide common standards, systems, processes, asset management practices, building condition assessment methodology, centralized information system tracking of building asset inventory, fire and life safety tracking, and capital planning support, where applicable.

City's current operating model does not place all real estate assets under CREM's direct management

The City's current operating model does not place all real estate assets under CREM's direct management, as certain divisions, agencies and corporations continue to manage specialized or program-specific assets within their own operational, legislative, or governance frameworks. Therefore, it is important for CREM to centrally lead efforts to establish and mature corporate facilities management policies and processes, and that other divisions overseeing facilities (outside the CREM portfolio), adopt or exceed corporate standards and practices that CREM establishes.

Progress for CREM's directly managed portfolio

During this follow-up review, we noted that CREM started implementing a standard asset management program **for its directly managed portfolio**, as well as on behalf of **certain select facilities managed by other Divisions**. Some of these actions include:

- sharing real estate asset management processes and offering services to other City divisions or agencies and corporations
- contracting with a third-party provider to conduct asset tagging and building condition assessments (to be completed over a three-year timeframe ending in December 2027) to refresh, standardize, and strengthen asset condition information across in-scope City-owned buildings, as well as support long-term capital planning
- using databases to track and coordinate state of good repair activity and support capital planning processes for the CREM directly managed portfolio, which can also be used to track facilities currently managed by other divisions
- using centralized information system tracking of building asset inventory to support preventative maintenance scheduling, demand maintenance, work order tracking, inspection records, and asset-tagged equipment information for the CREM directly managed portfolio, which can be leveraged by other divisions
- using centralized systems and tools to track fire and life safety inspection and maintenance records across City real estate
- supporting the implementation of the City's Corporate Asset Management framework.

Further work is needed to advance standards, practices and processes City-wide

However, further work is needed to advance a centre-led model, with CREM establishing corporate facilities management standards and best practices and sharing these with all other divisions and agencies relevant to the Council approved City-wide real estate strategy. Moving these efforts forward will help to mature facilities management processes City-wide and may help bring on board more City divisions that still follow a decentralized approach.

Auditor General encourages City's Manager's Office to support implementation of City-wide recommendations

The Auditor General has noted in previous follow-up reports that City-wide recommendations often require support from the City Manager's Office in order to be fully implemented City-wide, and continues to encourage this level of support from the City Manager.

Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services, 2016

Recommendations to standardize corporate cleaning services across all City facilities

The Auditor General’s 2016 [Audit of City Cleaning Services – Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services](#) made 14 recommendations to standardize corporate cleaning services that could help the City improve productivity and enhance quality through effective monitoring and measuring of performance.

1 recommendation fully implemented; 2 not fully implemented

The Corporate Real Estate Management Division (CREM) reported three of the seven outstanding recommendations, related to monitoring custodial services delivery, as fully implemented. We assessed that one recommendation is fully implemented and that two recommendations related to measuring performance against benchmarks or targets are not fully implemented at this time.

Cleaning services now focus on achieving cleanliness outcomes and client satisfaction

Since our 2025 follow-up cycle, management advised that the Division has transitioned cleaning services from an activity-based approach to an outcome-based model. Changing the focus from measuring inputs – such as tasks completed, cleaning frequencies, and cleaning times – to evaluating the results achieved, including cleanliness outcomes and overall service quality.

Division is currently piloting an automated inspection program

Management believes that this approach enables the Division to demonstrate value for money by assessing achievement of cleanliness outcomes defined by industry standards and client satisfaction. The Division also recently began piloting a QR Code Quality Assurance Inspection Program (“Program”), to document cleaning inspections at eight City facilities. Using barcode scanning technology, cleaning staff/supervisors will be able to document their inspections of cleanliness conditions at their assigned facilities.

Management advised that key performance metrics are being established through this pilot. And once finalized, the division will be able to track the data needed to support trend analyses, resolution of action items, and performance reporting across the various City facilities. In the meantime, management advised that performance is measured on an ad hoc basis that primarily relies on ongoing client feedback, annual surveys, periodic site inspections, and complaints/work order requests.

Going forward, management may want to evaluate whether the remaining recommendations that are still not fully implemented, from the original audit report are still applicable within the context of the modified cleaning service model. Through future follow-up cycles the Auditor General will also assess whether a new audit of City cleaning services needs to be added to a future Work Plan.

Technology Services

Management of the City's Telecommunication Expenses at the City and its Agencies and Corporations

Recommendations to improve controls over telecommunication expenses

The Auditor General issued three reports on the management of telecommunication expenses and contracts at the City and its agencies and corporations. These reports included recommendations to strengthen contract management and oversight, vendor payments, inventory controls, and monitoring of telecommunication expenses.

The Auditor General's reports are available at:

1. [Controls Over Telecommunication Expenses Need Improvement, June 2014](#)
2. [Toronto Transit Commission - Managing Telecommunication Contracts and Payments, May 2018](#)
3. [Improvement Needed in Managing the City's Wireless Telecommunication Contracts, June 2018](#)

The results from this follow-up review and accumulated savings achieved from these reports are discussed in the following sections.

Controls Over Telecommunication Expenses Need Improvement, June 2014

This audit recommended strengthening management of telecommunication expenses. Some of the recommended controls included regular review of inventory of telephone lines, improved management reporting to identify unused phones and cancelling those not required in a timely manner.

Fully addressed all recommendations in the 2014 report

The report included 20 recommendations, 18 of which have been reported as fully implemented in previous follow-up reviews. This follow-up cycle assessed the two remaining recommendations (#4 and #15), as fully implemented. Actions taken by management include:

- Implementing a centralized portal to monitor and manage telecommunication expenses
- Issuing guidelines defining divisional responsibilities for reviewing inventory and usage of phones
- Developing a Zero Usage report to identify and disconnect unused phone lines.

As a result of management actions:

- 6,218 unused wireless lines from 2022–2024 have been disconnected and 1,878 lines were suspended.
- In 2025, the Technology Services Division (TSD) further identified an additional 1,235 unused wireless lines and these lines were also disconnected.

The disconnection of unused lines has reduced ongoing monthly service fees and suspended lines may also generate additional savings. The realized savings will be determined with the assistance of Technology Services Division and reported in the Auditor General's 2026 Annual Report – Demonstrating the Value of the Auditor General's Office.

Accumulated realized savings included in prior follow-up reports amounted to \$4.3 million

The overall total accumulated realized savings included in prior follow-up reports amounted to \$4.3 million.⁹ Savings realized from the above disconnected and suspended phone lines will be in addition to the savings already reported.

Improvement Needed in Managing the City's Wireless Telecommunication Contracts, June 2018

This audit included recommendations for exploring opportunities to collaborate with other municipalities, and other levels of government, to leverage volumes and secure better pricing.

While all recommendations have been reported as fully implemented in previous follow-up cycles, the agencies continue to explore opportunities to leverage the City or Provincial contracts, to obtain services at more competitive prices.

We noted the Toronto Parking Authority further leveraged the Provincial contract to secure lower wireless rates. As a result, TPA will achieve annual savings of \$163,385, totalling \$816,925 over the term of the contract, with additional savings projected if TPA extends its contract. The savings from this follow-up were separately reported to the TPA Board at its May 29, 2026 Board meeting. The report is available at:

[Toronto Parking Authority 2026 Follow-up](#) (Pg. 9)

Total accumulated savings of \$13.8 million

The overall total accumulated realized savings included in prior follow-up reports amounted to \$13 million¹⁰. The additional savings reported in this cycle bring the total to \$13.8 million.

⁹ [2014 Annual Report – Demonstrating the Value of the Auditor General's Office \(Pg. 24\)](#)
[2017 Annual Report – Demonstrating the Value of the Auditor General's Office \(Pg. 9\)](#)

¹⁰ [2019 Annual Report – Demonstrating the Value of the Auditor General's Office \(Pg. 21\)](#)
[2020 Annual Report - Demonstrating Value of the Auditor General's Office \(Pg. 19\)](#)

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

The Auditor General also conducted an audit of the management of telecommunication service contracts and payments at the Toronto Transit Commission in May 2018.

The Auditor General made 13 recommendations to improve controls, better use telecommunication resources, and increase due diligence in acquiring and managing telecommunication contracts.

The overall total savings realized since 2018 exceed \$7.7 million

Out of 13 recommendations, 12 were closed in prior years. The one remaining recommendation, related to managing telecommunication devices and data, is closed in this follow-up cycle. All the recommendations from this 2018 report on telecommunication contracts and payments are now closed. The overall total savings realized since 2018 exceed \$7.7 million and were reported in our previous annual reports¹¹.

The results of this TTC follow-up were separately reported to the TTC Audit, Finance, and Risk Management Committee and TTC Board in its May 26 and June 3, 2026 meetings. The report is available at:

[TTC 2026 Follow-up Status of Previous AGs Recommendations](#)

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

Recommendations to improve controls over software licence management

In December 2024, the Auditor General completed an audit of the City's overall software asset management¹². The audit included major applications, such as Microsoft 365 (M365), Public Digital Access solution implementation and SAP enterprise application.

1 recommendation fully implemented, 1 not fully implemented

The report included a total of 10 recommendations of which management reported two as fully implemented. Based on this follow up review, we assessed recommendation #6, as fully implemented, and recommendation #4 as not fully implemented.

¹¹ Cumulative total derived from the reports listed below:

[2018 Annual Report - Demonstrating the Value of the Auditor General's Office](#)
[Auditor General's 2020 Annual Report - Demonstrating Value of the Auditor General's Office](#)
[Auditor General's 2021 Annual Report - Demonstrating Value of the Auditor General's Office](#)
[Auditor General's 2024 Annual Report - Demonstrating Value of the Auditor General's Office](#)

¹² [Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences](#)

Unused M365 licences

Recommendation #6 included a review of management of M365 licences to reclaim and reassign licences from former employees. The audit identified unused M365 licences and recommended improvements to licence management. We assessed this recommendation as fully implemented.

At the time of the audit, about 28,500 M365 licences were assigned to users, including 1,554 to former employees. These former employees left the City ranging from two months to more than two years ago, resulting in the City incurring subscription costs of over \$1 million by the end of 2024.

Since the audit, Technology Services Division has implemented formal offboarding and monthly M365 licence reconciliation processes. These processes are used to identify licences assigned to former employees, deactivate those licences, and return them to the central licence pool for reassignment to new users.

TSD has also established guidelines and procedures for the licence reclaim process, supported by a property retrieval and cancellation checklist, to ensure licences are terminated and reassigned in a timely manner.

Reclaiming licences from former employees resulted in cost avoidance of up to \$1.3 million

Management advised that TSD reduced its licence purchases by reclaiming licences from former employees, resulting in cost avoidance of up to \$1.3 million. The implementation of formal procedures and regular reconciliations is expected to further reduce ongoing subscription costs and prevent the accumulation of unused licences.

Unused Public Digital Access (PDA) ForgeRock licences

In Recommendation #4 of the report, we recommended improving the project planning and coordination for management of ForgeRock licences for the Public Digital Access (PDA) solution - a centralized login platform for public-facing City websites, applications, and digital services.

The City initially procured 100,000 licences for a proof of concept, then later signed a three-year contract (to December 2026), committing to at least 700,000 licences annually. At the time of the audit in September 2024, 15,331 licences were in use. The unused cost of over \$657,000 was included in the original audit report.

While the licence usage has increased from 15,331 in September 2024 to 45,117 by June 4, 2026, a significant gap remains between licences acquired and those in use. Therefore, we assessed this recommendation as not fully implemented. As of June 4, 2026, the total unused cost amounted to \$2.6 million since the inception of this project in June 2023. The Auditor General will follow up on the status of the recommendation in a future follow-up cycle.

Additional information about this implementation is provided in Confidential Attachment 1 to this report.

SAP licences

As a result of our audit, the Division did not proceed with the planned purchase of 3,500 additional SAP user licences. This was due to the audit team identifying unused licences assigned to terminated employees and users on leave, as highlighted in recommendation #7 in the report. The Auditor General will follow-up on costs avoided (realized savings) in a future follow-up cycle.

Savings included by the Division in 2026 Budget Notes

Management has reported **\$5.2 million**¹³ in savings in its 2026 budget notes from decommissioning of legacy solutions, better contract pricing negotiations, and effective licence and vendor management for applications. We are working together with TSD to verify the support for these savings and will report on any additional realized savings in our 2026 Annual Report.

The report entitled “Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences”, December 2024, is available at:

[Audit of Software Acquisition and Licence: Managing and Optimizing Value from Software Licences](#)

¹³ [2026 Capital and Operating Budget Notes – Technology Services Division, P12](#)

Development and Growth Services

Housing Secretariat

Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program, 2020

Auditor General made 11 recommendations to strengthen accountability and delivery of the City's affordable home ownership program

In 2020, the Auditor General completed an audit of the City's Affordable Home Ownership Program ("Program"). The audit made 11 recommendations to help strengthen accountability and delivery of Program objectives and outcomes. The audit report is available at:

[Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program, 2020](#)

Since the audit, the Housing Secretariat has refreshed how it manages the Program and reported that all 11 audit recommendations were fully implemented. Through our follow-up, we verified that the audit recommendations will remain "in progress" (not fully implemented) until current and future development projects have progressed far enough to provide sufficient evidence to support the recommendations as fully implemented.

Council adopted changes to the Program in November 2024

In November 2024,¹⁴ City Council adopted changes to the Home Ownership Assistance Program (HOAP) to expand its reach and impact to advance affordable home ownership in Toronto. This included:

- expanding program eligibility to include household incomes and home price limits above the "affordable" thresholds prescribed by the City's Official Plan
- strengthening eligibility criteria by requiring appropriate documentation to support residency within Toronto, income and asset information, and primary financing with an institutional lender
- mechanisms in program delivery agreements to support ongoing affordability, whereby a home remains affordable from one eligible purchaser household to the next.

Audit recommendations will remain in progress until current HOAP projects have progressed further

We noted that projects under the revised HOAP framework are not yet at the development and operational stage where the Housing Secretariat can demonstrate full and consistent implementation of changes in practice. Management advised that it could take several years for HOAP projects to move through development approval, sales and marketing of units, loan application approvals, building construction, unit occupancy, resales from one eligible homeowner to the next, and post-occupancy monitoring and administration.

¹⁴ [Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership](#)

The Housing Secretariat also advised that, given the uncertainties that come with development approvals, building construction, and that unit resales are not within the City's control, it is difficult to predict when key milestones will be reached.

City of Toronto's Modular Housing Initiative: the Need to Balance Fast Delivery with Stronger Management of Contracts and Costs, 2023

Audit of the Modular Housing Initiative completed in 2023

The Auditor General's report entitled: [City of Toronto's Modular Housing Initiative: the Need to Balance Fast Delivery with Stronger Management of Contracts and Costs](#) included 20 recommendations to help the City to strengthen controls over project planning, budgeting, cost tracking, and contract management processes of modular housing, and enhance the quality of reporting to City Council. At the time of this report, the Modular Housing Initiative has ended following completion of Phase two, however recommendations are informing the City's approach to delivering supportive and affordable homes using innovative construction methods through new federal programs.

11 recommendations fully implemented; 9 remain open

Management from the Housing Secretariat (HS) and the Corporate Real Estate Management division (CREM) have reported that 15 recommendations were fully implemented for this follow-up cycle. We assessed 11 as fully implemented and four as not fully implemented out of the 15 recommendations. At the conclusion of this follow-up cycle, a total of nine out of 20 recommendations remain open (six with Housing Secretariat and three with CREM).

Auditor General recommendations have helped to enhance contract management

Through this follow-up cycle we have noted both the Housing Secretariat's and CREM's commitment to making continuous improvements aimed at enhancing contract management, budgeting, and cost tracking of rapid housing. The following improvements were observed:

- Enhanced site due diligence is being completed specifically related to subsurface infrastructure before proceeding with site selection and procurement
- Ensured the re-zoning is in effect before beginning construction
- Clarified the roles and responsibilities for each of the parties involved with modular housing and Rapid Housing Initiative (RHI) projects
- Enhanced the processes for the recording of project cost and the review of process payment invoices.

Cost recovery of approximately \$140,000

Through the implementation of our recommendations, CREM was able to identify and recover project management fee and markup overpayments in the amount of over \$140,000. The division also amended future contracts to provide clarity on interpretation of project management fees and markups.

Nine recommendations require additional work

For the remaining nine outstanding audit recommendations we noted:

- Management needs to ensure when developing the budget that the party responsible for each cost item is clearly defined
- Management needs to ensure consistent compliance with the new change order process and that the change orders are properly approved
- Some recommendations are relying on the recent introduction of new budget tracking software and will be assessed in the next cycle
- Some recommendations are too early to assess as they rely upon the completion of RHI and final modular housing projects (completion expected by end of 2026).

Since the audit, CREM has developed a new change control process policy for their change order review process for RHI and modular housing developments. HS and CREM continue to take actions to implement the remaining nine outstanding audit recommendations and to ensure effective and consistent implementation in practice.

Finance and Treasury Services

Purchasing and Materials Management

Obtaining the Best Value Through the Use of Vendor Rosters, 2017

Auditor General made 8 recommendations to improve the use of vendor rosters

The Auditor General's 2017 audit of the vendor rosters contained eight recommendations. A vendor roster is a list of sellers (suppliers, consultants, contractors, etc.) created by the City for a specific type of future purchase. By evaluating and pre-qualifying vendors upfront, the City saves time and resources by making future purchases under a simplified process.

The eight recommendations were aimed at helping improve this program by reviewing the design of vendor rosters to obtain better value and to strengthen the monitoring processes to better protect against the inherent risks associated with their use.

The audit report is available at:

[Obtaining the Best Value Through the Use of Vendor Rosters, 2017](#)

The Purchasing and Materials Management Division (PMMD) reported all eight recommendations as fully implemented. The Division updated the procedure for 'Establishing and Using a Roster of Suppliers' in May 2023. Additional updates include improvements to clarify relevant processes, requirements and roles and responsibilities for vendor roster management, and guidance provided to staff to support more consistent and fair evaluations.

6 recommendations fully implemented; 2 not fully implemented

We assessed six recommendations as fully implemented, and two as not fully implemented. Our follow-up assessment included the review of selected rosters that were established after the new procedure came into effect.

PMMD to centralize vendor roster management and compliance monitoring

We noted that while a significant number of processes around the use of rosters have been established to enable oversight, PMMD is not consistently performing the ongoing compliance monitoring needed. Management advised that they are at an early stage of establishing a Contract and Supplier Relationship Management Program¹⁵, and that centralized vendor roster management and compliance monitoring over user divisions will be among its key functions.

¹⁵ This is a new program in development which will provide corporate oversight of contracts and supplier relationships.

PMMD has not ensured that Roster Captains submit the required quarterly review reports to support PMMD Buyer’s review of compliance, validation, and analysis. Without these periodic evaluations, management cannot validate compliance with the new process and may not identify and resolve non-compliance and any misuse of the program in a timely manner.

Approximately \$168 million was spent through rosters in 2024 & 2025

Given that the City spent approximately \$106 million in 2024 and \$62 million in 2025¹⁶ on goods and services through rosters, ensuring ongoing monitoring of divisional purchases by PMMD is important to support best value and program compliance.

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

Audit of Interface Invoice Payments in 2019

In 2019, the Auditor General completed an audit of the City’s interface invoice payment process. At the time of the audit, \$1.6 billion annually, or over 30 per cent of payments, were made using this process¹⁷. In 2025, almost \$3 billion or 21 per cent of the total accounts payable were processed through the interface invoice payment process.

The Auditor General made 20 recommendations to improve the effectiveness of the interface billing process, including procurement and contract management processes. 10 of the 20 recommendations were closed in prior follow-up cycles.

In the current follow-up cycle, management reported five recommendations as fully implemented. Two of the recommendations belonged to the Environment, Climate, and Forestry Division, two to the Purchasing and Materials Management (PMMD) Division, and one recommendation with overall City-wide user access management of SAP to Technology Services Division.

3 recommendations assessed as fully implemented

We have assessed two recommendations relating to Environment, Climate, and Forestry division for improving hydro bill payment verification, and one recommendation relating to overall user access management for SAP, as fully implemented.

2 recommendations assessed as not fully implemented; 7 remain outstanding

Two recommendations relating to PMMD, for improving contract management were assessed as not fully implemented. In total there are now seven recommendations outstanding for this audit.

¹⁶ 2025 spending is only for January 1st to November 23rd because PMMD went live with the new financial system S/4HANA on Nov 24th.

¹⁷ Interface payment process includes vendors submitting bulk invoices in a consolidated electronic file (interface file), these invoices are paid after validation by respective divisions. This process is used to save on invoice processing costs.

\$124,000 in savings related to improved hydro bill payment verification

Savings because of improved hydro bill payment verification

The Environment, Climate, & Forestry division has initiated a process to verify utility accounts that are no longer to be billed, as a result of the sale of these properties or disconnection of services, to City divisions, agencies and corporations. During this validation, 17 accounts no longer in use were disconnected during the period from 2021 to 2024 which have resulted in estimated savings of \$124,000 for a period of five years.

Summary of savings from implementing this recommendation

One time (2021-25)	2026	2027	2028	2029	Total
\$56,000	\$21,000	\$21,000	\$20,000	\$6,000	\$124,000

We previously recognized savings related to management implementing recommendations from this report of \$953,000. (\$908,000 as outlined in our 2023 Annual Report¹⁸ and \$45,000 in our 2024 Annual Report¹⁹). These savings were realized from collecting volume rebates from suppliers, transformer allowance credits received for previously unidentified City owned transformers, and recoveries of duplicate or incorrect payments that were identified in the original audit.

The savings identified in the current follow-up cycle brings the total accumulated savings from this report to \$1,077,000. There are further potential savings that can be achieved by implementing the outstanding recommendations of this report.

Outstanding recommendations require more work to complete implementation

More work is needed to fully implement the two recommendations identified as not fully implemented in this follow-up cycle. For example:

- Recommendation #1: While Purchasing and Materials Management (PMMD) has standardized product purchasing categories across City divisions, PMMD has only recently launched the Contract and Supplier Relationship Management Corporate Program. The program will have to show evidence that appropriate corporate governance and processes have been implemented to address key control requirements, including tracking on-contract vs off-contract spend, expanding the availability of accurate procurement and contract management data and establishing agreed upon responses and remediation plans in collaboration with operating divisions.

¹⁸ [Auditor General's 2023 Annual Report \(Page # 39-41\)](#)

¹⁹ [Auditor General's 2024 Annual Report \(Page # 39\)](#)

Monitoring of miscellaneous category spend required

- Recommendation #6: PMMD has developed procedures and a miscellaneous category spend report to monitor spend against the miscellaneous category line item in contracts, however, the report needs to be sent out on a periodic basis to division heads for review and taking any corrective actions where needed. PMMD has advised that once the City's new financial system is fully implemented, they will be able to send out the miscellaneous spend reports to division heads on a quarterly basis.

5 outstanding recommendations in progress

Efforts are also needed to implement the other five outstanding recommendations in progress. These recommendations include improvements such as establishing the Centralized Contract Management Unit to track divisional spend trends, taking advantage of available cash and volume rebates, and considering automation to identify invalid/expired contracts used in interface payment files and to identify non-compliant purchases.

The report is available at:

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

Infrastructure Services

Engineering and Construction Services

Phase Two: Construction Contract Change Management Controls Should Be Strengthened, 2019

Audit of phase two construction contract change management completed in 2019

In 2019, the Auditor General completed phase two of its construction contract change management audit. The audit focused on the management of change orders by the City's Engineering and Construction Services division (ECS).

The ECS division delivers capital projects involving critical infrastructure including bridges, roads, and water and wastewater and systems, on behalf of City divisions, such as Toronto Water, Transportation Services, and Solid Waste Management Services.

The Auditor General made four recommendations pertaining to change order management.

The report is available at:

[Phase Two: Construction Contract Change Management Controls Should Be Strengthened, 2019](#)

1 recommendation fully implemented; 3 remain in progress

In this follow-up cycle, we assessed one recommendation as fully implemented and the remaining three as not fully implemented.

We observed the following operational improvements during the current follow-up cycle:

- ensuring that delegated signing authority limits are enforced and that each signature on a change order is individually dated
- developing and implementing standard procedures to monitor and transfer unused funds from contract line items to contingency
- calculating and summarizing the cost of engineering as a percentage of construction costs to assess whether this cost is reasonable
- establishing a process and criteria to review and assess liabilities arising from third-party design errors and omissions.

**3 recommendations
require additional work**

There are a few areas that need improvement before the remaining three recommendations can be fully implemented. They include:

- ensuring that work only commences after a change directive or change order has been approved
- increasing use of the formal 'Record of Evaluation and Negotiation' template that was developed to document the negotiations with contractors to assess the reasonability of cost and pricing of work
- completing the Professional Services Performance Evaluation on time to assess engineering consultant performance.

Management advised they are actively working on the remaining outstanding recommendations.

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 managing software licensing acquisition and assignment, enhancements to information technology management, strengthening municipal by-law enforcement and control improvements to reduce fare evasion on the TTC and protect revenue.

Thank you

In closing, we would once again like to express our gratitude to City and agency and corporation 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 2026 Consolidated Follow-up Review

This exhibit outlines the results of the 96 City division recommendations from the 31 Auditor General reports, that were in scope for this follow-up cycle. A high-level summary is included on the results of the 68 recommendations from 14 Auditor General reports for the three agencies that were in scope for this follow-up cycle. For more detail on each of the recommendations in scope, refer to **Attachment 2** for City divisions, and the respective links for agencies and corporations.

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		CITY MANAGER	2	1	0	1
		City Manager's Office				
1	May 2014	Cost Benefits of Extended Warranties for Construction Projects Are Unknown	1	1		
2	Oct 2017	Auditor General's Office - Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note	1			1
		COMMUNITY DEVELOPMENT AND SOCIAL SERVICES	2	1	0	1
		Children Services				
3	Apr 2018	Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds	2	1		1
		CORPORATE SERVICES	31	23	0	8
		Corporate Real Estate Management				
4	Sep 2005	Maintenance and Administrative Controls Review – Facilities and Real Estate	5			5
5	Jun 2016	Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services	3	1		2
		Fleet Services				
6	Oct 2019	Fleet Services Operational Review Phase Two – Stronger Asset Management Needed	2	2		

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		Technology Services				
7	Mar 2008	Disaster Recovery Planning for City Computer Facilities	2	2		
8	Jun 2014	Controls Over Telecommunication Expenses Need Improvement	2	2		
9	Feb 2015	Software Licenses - Managing the Asset and Related Risks	2	2		
10	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	1	1		
11	Jun 2018	Improvement Needed in Managing the City's Wireless Telecommunication Contracts	2	2		
12	Feb 2021	Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System	2	2		
13	Jun 2021	City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	2	2		
14	Nov 2023	Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects	6	6		
15	Dec 2024	Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences	2	1		1
		DEVELOPMENT AND GROWTH SERVICES	28	11	0	17
		Housing Secretariat				
16	Oct 2020	Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program	11			11
17	Jun 2023	City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs	15	11		4

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
		Toronto Building				
18	Jan 2023	Building Better Outcomes - Audit of Toronto Building's Inspection Function	1			1
19	Jun 2023	Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses	1			1
		FINANCE AND TREASURY SERVICES	17	12	1	4
		Accounting Services				
20	Apr 2012	Review of The Management of the City's Divisional Accounts Receivable	1	1		
21	Feb 2015	Review of Divisional Purchase Orders	1		1	
		Purchasing and Materials Management				
22	Oct 2012	City Stores: Maximize Operating Capacity to Be More Efficient	1	1		
23	Oct 2016	Strengthening Enforcement of the Fair Wage Policy	1	1		
24	Oct 2017	Obtaining the Best Value Through the Use of Vendor Rosters	8	6		2
25	Jun 2019	Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes	5	3		2
		INFRASTRUCTURE SERVICES	12	9	0	3
		Engineering and Construction Services				
26	Jun 2019	Engineering and Construction Services - Phase Two: Construction Contract Change Management Controls Should Be Strengthened	4	1		3
		Municipal Licensing and Standards				
27	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part One: Licence Issuance, Inspection and Complaint Investigation Functions	4	4		

#	Date	Auditor General Reports	In Scope Recommendations	Auditor General Assessments		
				Fully Implemented	No Longer Applicable	Not Fully Implemented
28	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs	2	2		
29	Jun 2024	Investigation into Allegations of Reprisal for Reporting a Conflict of Interest	2	2		
		CONFIDENTIAL RECOMMENDATIONS	4	4	0	0
30	Various	Confidential recommendations in this follow-up cycle (four recommendations from two reports listed in Confidential Attachment 1)	4	4		
		Total City Divisions (A)	96	61	1	34
		AGENCIES AND CORPORATIONS (B)	68	57	5	6
31	Various	Toronto Parking Authority (7 recommendations from 3 reports)	7	4	2	1
32	Various	Toronto Police Service (20 recommendations from 2 reports)	20	15	1	4
33	Various	Toronto Transit Commission (41 recommendations from 9 reports. This includes one confidential recommendation).	41	38	2	1
		Total (A + B)	164	118	6	40

Exhibit 2: Status of Outstanding Recommendations in Auditor General Reports as of May 31, 2026

This exhibit provides the total number of recommendations outstanding at the end of this follow-up cycle on May 31, 2026, including recommendations reported by management as fully implemented, recommendations assessed as not fully implemented during this follow-up cycle, and recommendations 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 2026 Follow-up Process						
CITY MANAGER			3	2	0	1
	City Manager's Office					
1	Oct 2017	Auditor General's Office - Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note	3	2		1
COMMUNITY DEVELOPMENT AND SOCIAL SERVICES			20	16	0	4
	Children Services					
2	Apr 2018	Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds	20	16		4
CORPORATE SERVICES			116	91	1	24
	Corporate Real Estate Management					
3	Sep 2005	Maintenance and Administrative Controls Review - Facilities and Real Estate	32	27		5
4	Jun 2016	Audit of City Cleaning Services - Part 1: Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services	14	8		6
	Technology Services					
5	Mar 2008	Disaster Recovery Planning for City Computer Facilities	7	6		1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
6	Feb 2015	Software Licenses - Managing the Asset and Related Risks	14	13		1
7	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	14		1
8	Feb 2021	Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System	10	9	1	
9	Nov 2023	Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects	14	13		1
10	Dec 2024	Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences	10	1		9
DEVELOPMENT AND GROWTH SERVICES			57	11	0	46
Housing Secretariat						
11	Oct 2020	Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program	11			11
12	Jun 2023	City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs	20	11		9
Toronto Building						
13	Feb 2023	Building Better Outcomes - Audit of Toronto Building's Inspection Function	20			20
14	Jun 2023	Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses	6			6

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
FINANCE AND TREASURY SERVICES			45	33	0	12
Accounting Services						
15	Apr 2012	Review of The Management of the City's Divisional Accounts Receivable	8	6		2
Purchasing and Materials Management						
16	Oct 2012	City Stores: Maximize Operating Capacity to Be More Efficient	9	8		1
17	Oct 2017	Obtaining the Best Value Through the Use of Vendor Rosters	8	6		2
18	Jun 2019	Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes	20	13		7
INFRASTRUCTURE SERVICES			4	1	0	3
Engineering and Construction Services						
19	Jun 2019	Engineering and Construction Services - Phase Two: Construction Contract Change Management Controls Should Be Strengthened	4	1		3
AGENCIES AND CORPORATIONS			162	94	4	64
Toronto Parking Authority			12	11	0	1
20	Jan 2016	Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities	12	11		1
Toronto Police Service			51	16	0	35
21	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	6		20
22	Jun 2022	Review of Toronto Police Service - Opportunities to Support More Effective Responses to Calls for Service A Journey of Change:	25	10		15

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		Improving Community Safety and Well-Being Outcomes				
	Toronto Transit Commission		99	67	4	28
23	Sep 2017	Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management	9	6	1	2
24	Jun 2018	Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs	20	12		8
25	Feb 2019	Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection	27	15		12
26	Oct 2019	Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue	34	33		1
27	Nov 2023	Confidential recommendations (1 report with 9 recommendations listed in Confidential Attachment 1)	9	1	3	5
Reports Not In Scope For 2026 Follow-up Process						
COMMUNITY AND EMERGENCY SERVICES			92	33	7	52
Toronto Paramedic Services						
28	Oct 2013	Emergency Medical Services - Payroll and Scheduling Processes Require Strengthening	12	10		2
29	Jun 2024	Toronto Paramedic Services: Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System	10		3	7

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
Toronto Shelter and Support Services						
30	May 2022	Part 1 of the Audit of Emergency Shelters: A Focus on Case Management	12	4	2	6
31	May 2022	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations	15	10		5
32	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	13
Parks and Recreation						
33	Jan 2009	Parks, Forestry and Recreation - Capital Program - The Backlog in Needed Repairs Continues to Grow	10	9		1
34	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			9
35	Jan 2025	Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving Park Asset Management and Repair Processes	9			9
CORPORATE SERVICES			177	126	12	39
Corporate Real Estate Management						
36	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	
37	Feb 2015	Facilities Management - Security and Safety Improvements Required	22	19	3	

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
38	Jun 2016	Audit of City Cleaning Services - Part 2: Maximizing Value from Cleaning Contracts	16	14		2
39	Jun 2017	Real Estate Services Division - Restore Focus on Union Station Leasing	21	15	1	5
40	Jun 2018	Enhance Focus on Lease Administration of City-owned Properties	19	2	1	16
41	Jun 2021	Challenges in Contract Management - Auditor General's Review of the Corporate Real Estate Management Division	19	14	1	4
Customer Experience (311)						
42	Oct 2011	311 Toronto - Full Potential For Improving Customer Service Has Yet To Be Realized	12	10	1	1
Environment, Climate and Forestry						
43	Jun 2018	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement	12	8		4
44	Apr 2019	Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services	10	8		2
45	Feb 2021	Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit	17	11	4	2
Technology Services						
46	Jun 2018	Information Technology Infrastructure and Asset Management Review: Phase 2: Establishing Processes for Improved Due Diligence, Monitoring and Reporting for Effective IT Projects and Asset Management	8	6		2
47	Jul 2021	Supplementary Report: City Needs to Improve Software License Subscription Tracking, Utilization and Compliance	1			1

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
DEVELOPMENT AND GROWTH SERVICES			102	64	2	36
City Planning						
48	Feb 2022	Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations	2		1	1
Housing Secretariat						
49	Jun 2014	Strengthening the City's Oversight of Social Housing Programs	14	13		1
50	Jun 2019	Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing	28	23		5
51	Oct 2019	Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit	13	5	1	7
Toronto Building						
52	Jan 2012	Toronto Building Division - Building Permit Fees, Improving Controls and Reporting	11	8		3
53	Mar 2017	Toronto Building Division - Strengthening System Controls to Safeguard Cash Receipts	6			6
54	Oct 2017	Toronto Building Division: Conditional Permits	17	15		2
55	Feb 2024	Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits	11			11
FINANCE AND TREASURY SERVICES			111	75	3	33
Accounting Services						
56	Oct 2009	City Purchasing Card (Pcard) Program - Improving Controls Before Expanding the Program	20	19		1
Pension, Payroll & Employee Benefits						
57	Oct 2015	Management of the City's Long-Term Disability Benefits Phase One: Improving City Management	12	11	1	

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
		to Address Growing Trends in Long-Term Disability Benefits				
58	Oct 2020	Continuous Controls Monitoring Program: Opportunities to Reduce Cost of Dental Benefits	4	3		1
59	Oct 2020	Employee Health Benefits Fraud Involving a Medical Spa	5	4		1
Purchasing and Materials Management						
60	Jun 2023	A Review of the Procurement and Award of the Winter Maintenance Performance-Based Contracts	16		1	15
Revenue Services						
61	Oct 2015	Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes (PILTs)	15	14	1	
62	Feb 2016	Audit of Water Billing and Collection- Phase 1: Overdue Water Account Collections Require Strengthening	19	15		4
63	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
64	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			58	30	2	26
Municipal Licensing and Standards						
65	Oct 2017	A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Two: Licensed Holistic Centres	2			2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
66	Jun 2024	Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes	15		1	14
Transportation Services						
67	Apr 2012	Inventory Controls Over Traffic Control Devices in Transportation Services Need to be Improved	9	8		1
68	Mar 2017	Detection of Warning Signs for Potential Bid Rigging Should be Strengthened	6	5		1
69	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	1	7
70	Jun 2023	Winter Maintenance Program Follow-Up: Status of Previous Auditor General's Recommendations and Processes to Hold Contractors Accountable to New Contract Terms	4	3		1
CITY MANAGER			23	9	8	6
City Manager's Office						
71	Feb 2015	Service Efficiency Consultants Studies - Extent of Value for Money From Studies Has Not been Clearly Demonstrated	3	2	1	
72	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	2

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
73	Jan 2025	Securing Online Confidential Committee and Board Meetings: Sharing Best Practices at the City, and its Agencies and Corporations	2			2
Toronto Cyber Security						
74	July 2021	Implementation of Cybersecurity High-Risk Recommendations Needs to be Expedited and Completed	1			1
People and Equity						
75	Jun 2014	Opportunities to Enhance the Oversight of Non-Union Employee Separation costs	8	7		1
CITY SOLICITOR			31	25	3	3
Court Services						
76	Apr 2018	Toronto Court Services: Collection of Provincial Offence Default Fines	31	25	3	3
CONFIDENTIAL RECOMMENDATIONS			41	25	9	7
77	Various	City confidential recommendations (6 reports with 41 recommendations listed in Confidential Attachment 1)	41	25	9	7
AGENCIES AND CORPORATIONS			110	54	9	47
Toronto Community Housing Corporation			33	24	0	9
78	Mar 2019	Moving Forward Together: Opportunities to Address Broader City Priorities in TCHC Revitalizations	23	21		2
79	Nov 2021	Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services	10	3		7

#	Date	Auditor General Reports	Auditor General Recommendations	Closed Recommendations	Management Reported as Fully Implemented	Not Fully Implemented
Toronto Transit Commission			57	30	1	26
80	Jan 2014	Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration	18	17		1
81	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
82	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		1	19
CONFIDENTIAL RECOMMENDATIONS			20	0	8	12
83	Various	Agency & Corporation confidential recommendations (3 reports with 20 recommendations listed in Confidential Attachment 1)	20		8	12
Total			1152	689	60	403

**As of May 31, 2026*

Recently Issued Reports Excluded from the list of Outstanding Recommendations – Reports Issued between June 2025 to May 2026

#	Date	Auditor General Reports	Auditor General Report Recommendations
1	Jun 2025	2025 Winter Maintenance Program Follow-Up: Status of Auditor General's Previous Recommendations	3
2	Jun 2025	Audit of Transportation Services: Improving Utility Cut Permit and Inspection Processes	14
3	Jun 2025	Audit of the City's Low Dollar Value Purchases: Increasing Efficiency and Cost Savings While Balancing Other Procurement Objectives and Maintaining Compliance	6
4	Jun 2025	FIFA World Cup 2026 - Toronto, Governance Lessons Learned for Bidding and Planning to Host Future Mega Events	6
5	Jun 2025	Fraud Investigation Involving Multiple City of Toronto Electricity Accounts	1
6	Jul 2025	Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management ²⁰	7
7	Oct 2025	Audit of Toronto Water: Stormwater and Wastewater Contract Management	12
8	May 2026	Audit of Corporate Real Estate Management: Strengthening Accountability and Oversight of Change Orders in Capital Projects	11
9	May 2026	Audit of the Toronto Police Service's Information Technology Governance: Driving Improved Accountability and Transparency in Achieving Technology Objectives ²¹	15
CONFIDENTIAL RECOMMENDATIONS			
10	Various	Agency and Corporation reports (Exhibition Place, Toronto Public Library)	28
TOTAL			103

²⁰ This report was presented to the TTC's Audit, Finance and Risk Management Committee in March 2025.

²¹ This report was presented at the May 14, 2026 TPS Board meeting and is being forwarded to the July 10, 2026 Audit Committee.

Exhibit 3: Aging of High Priority Not Fully Implemented Recommendations

Service Area / Entity	Less than 5 years	Between 5-10 years	More than 10 years	Total
City Manager	1	1	1	3
City Manager's Office	-	1	-	1
Toronto Cyber Security	1	-	-	1
People and Equity	-	-	1	1
City Solicitor	-	3	-	3
Court Services	-	3	-	3
Community Development and Social Services	-	4	-	4
Children's Services	-	4	-	4
Community and Emergency Services	27	2	3	32
Parks and Recreation	6	2	1	9
Toronto Shelter and Support Services	9	-	-	9
Toronto Fire Services	5	-	-	5
Toronto Paramedic Services	7	-	2	9
Corporate Services	6	40	8	54
Corporate Real Estate Management	-	29	5	34
Customer Experience (311)	-	-	1	1
Environment, Climate and Forestry	-	6	-	6
Technology Services	6	5	2	13
Development and Growth Services	-	20	4	24
Housing Secretariat	-	12	1	13
Toronto Building	-	8	3	11
Finance and Treasury Services	-	22	8	30
Accounting Services	-	-	3	3
Pension, Payroll & Employee Benefits	-	2	-	2
Purchasing and Materials Management	-	9	1	10
Revenue Services	-	11	4	15
Infrastructure Services	-	13	1	14
Engineering and Construction Services	-	3	-	3
Municipal Licensing and Standards	-	2	-	2
Transportation Services	-	8	1	9
Agencies and Corporations	30	31	2	63
Toronto Community Housing Corporation	-	2	-	2
Toronto Parking Authority	-	-	1	1
Toronto Police Service	16	-	-	16
Toronto Transit Commission	14	29	1	44
Total	64	136	27	227²²

²² The table above includes 22 high priority recommendations (17 from City divisions, five from agencies & corporations) that were included in this follow-up cycle and were assessed as not fully implemented.

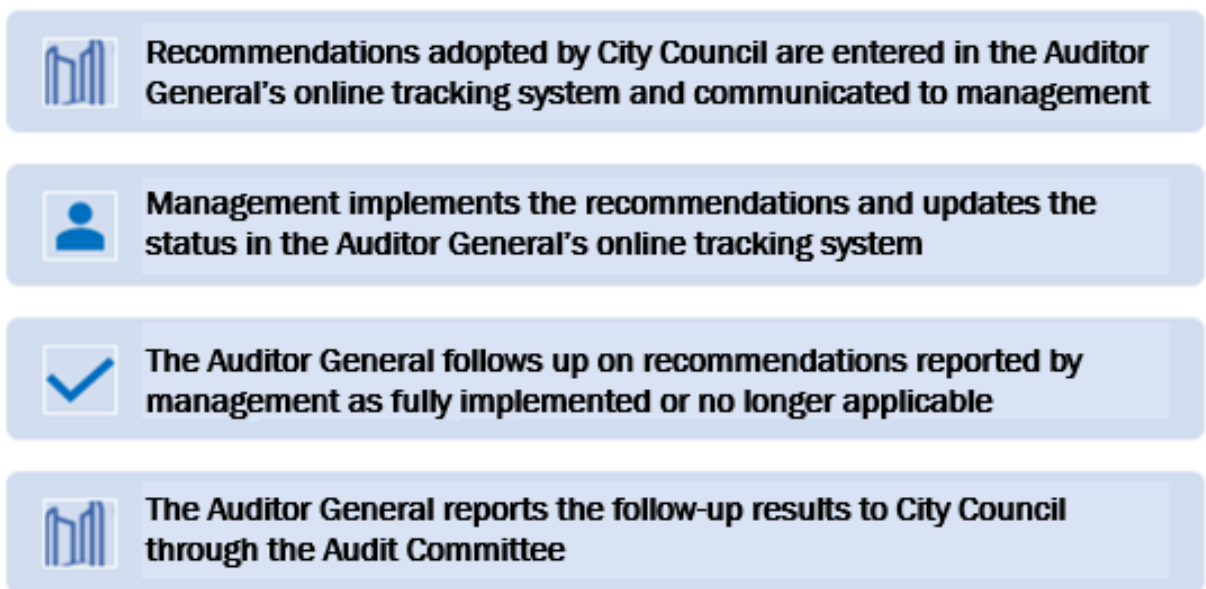
Exhibit 4: Auditor General’s Follow-Up Process

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 online 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 6**.

Figure 6: 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, or
- management actions are still in progress, or
- 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 reassess 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 assess whether recommendations are fully implemented, no longer applicable, or not fully implemented.

**AUDITOR
GENERAL**

TORONTO