

**CITY DIVISION RECOMMENDATIONS ASSESSED BY THE AUDITOR
GENERAL IN 2026 FOLLOW-UP REVIEW**

Table of Contents

CITY MANAGER.....2
 City Manager’s Office.....2
COMMUNITY DEVELOPMENT AND SOCIAL SERVICES3
 Children’s Services3
CORPORATE SERVICES.....4
 Corporate Real Estate Management4
 Fleet Services.....8
 Technology Services.....9
DEVELOPMENT AND GROWTH SERVICES..... 14
 Housing Secretariat..... 14
 Toronto Building 26
FINANCE AND TREASURY SERVICES..... 28
 Accounting Services 28
 Purchasing and Materials Management..... 29
INFRASTRUCTURE SERVICES 33
 Engineering and Construction Services 33
 Municipal Licensing and Standards..... 36

CITY MANAGER

City Manager's Office

- (1) Report Title: Cost Benefits of Extended Warranties for Construction Projects Are Unknown, 2014

No.	Recommendation
Fully Implemented and Closed	
#3	City Council request the City Manager develop warranty documentation standards and reports to improve information tracking and communication between staff.

- (2) Report Title: Auditor General's Office - Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note, 2017

No.	Recommendation
Not Fully Implemented	
#2	<p>City Council request the City Clerk implement protocols defining when it is appropriate to share briefing notes, as well as an online public repository to house briefing notes, bulletins, announcements and similar communications issued by City divisions and agencies, similar to the one maintained by the City of Vancouver, and direct the City Manager to ensure that City divisions and agencies submit copies of any such correspondence to the City Clerk for the register.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>City staff are still in the process of implementing this recommendation. While it was reported as "Fully Implemented" by the TTC in TeamMate in 2021, this status only reflected the actions taken by the TTC within their agency. City management have not yet reported this recommendation as fully implemented to the AGO. In light of this, the CMO has updated status of this recommendation to "In Progress" in TeamMate. There are still required actions for City staff to complete in order to fulfill Council's request on this AG recommendation. These actions include ensuring that protocols and business rules are being applied in order to upload content to the online public repository.</p> <p>Percentage Completion: 50%</p> <p>Completion Date: March 31, 2027</p>

COMMUNITY DEVELOPMENT AND SOCIAL SERVICES

Children's Services

(3) Report Title: Children's Services Division: Opportunities to Achieve Greater Value for Child Care from Public Funds, 2018

No.	Recommendation
Fully Implemented and Closed	
#18	City Council request the General Manager, Children's Services Division, to report back on the need to continue the Assessment for Quality (AQI) program after working with the Province on this matter, and to commission an independent, anonymous survey of contracted child care centre operators in 2019 to seek feedback on customer service and satisfaction levels pertaining to the delivery of the AQI program.
Not Fully Implemented	
#14	<p>City Council request the General Manager, Children's Services Division, to collaborate with the General Manager, Toronto Employment and Social Services and the General Manager, Shelter, Support and Housing Administration to incorporate a centralized overpayment recovery and fraud investigation function within the Human Services Integration Unit.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>Children's Services commits to engaging with staff from the HSI program and the other divisions identified in the Auditor General's recommendations (TESS and TSSS) to explore opportunities for establishing a centralized fraud investigation function. As HSI has been identified in multiple Auditor General recommendations across various divisions, the division will assess HSI's capacity and willingness to assume this role. Together, the divisions will evaluate potential service gaps, operational risks, and the costs and benefits associated with implementing such a transformation. In addition, Children's Services remains committed to continuing its collaboration with TESS and TSSS to strengthen information-sharing practices related to allegations and investigation findings that may affect client eligibility across divisional programs and services.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2026</p>

CORPORATE SERVICES

Corporate Real Estate Management

(4) Report Title: Maintenance and Administrative Controls Review – Facilities and Real Estate, 2005

No.	Recommendation
Not Fully Implemented	
#4	<p>The Deputy City Manager and Chief Financial Officer give priority to the completion of an implementation plan for facilities maintenance standards including:</p> <ul style="list-style-type: none"> a. a process to monitor compliance with legislative requirements; b. funding, staffing and operational requirements of the Facilities and Real Estate Division and all other City divisions; c. the development of specific facilities maintenance standards, if necessary, for speciality facilities such as water treatment plants and arenas; and d. timelines for implementation. <p>Recommendation Category: High Priority</p>
Management Response	
	<p>CREM has implemented facilities maintenance standards and supporting processes, including SAP Plant Maintenance, preventative maintenance schedules, work orders, dashboards, and Building Reports Canada for fire and life safety inspection tracking. These tools support monitoring of applicable legislative inspection and maintenance requirements for CREM-managed facilities and relevant building systems. Through the centre-led model, CREM provides common standards, tools, and expectations for facilities management, while recognizing that certain divisions, agencies, and corporations continue to manage specialized or program-specific assets within their own operational, legislative, or governance frameworks. To support closure, CREM will focus on demonstrating the City-wide lens of the centre-led model, including how standards are communicated, how applicable facilities are identified, and how roles and responsibilities are understood across the current operating model.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>
#13	<p>The Deputy City Manager and Chief Financial Officer take appropriate steps to:</p> <ul style="list-style-type: none"> a. determine the complete state of good repair backlog for all City-owned buildings; b. develop City-wide funding priorities for the state of good repair backlog; and c. ensure that approved capital projects are completed on a timely basis. <p>Recommendation Category: High Priority</p>

Management Response	
	<p>CREM has made significant progress in identifying and prioritizing state-of-good-repair needs through building condition information, asset tagging, SAP Plant Maintenance data, work order history, asset condition information, capital planning, and budget processes. These processes support the identification of renewal needs and help inform prioritization based on asset conditions, risk, criticality, service impact, health and safety, legislative requirements, affordability, and available funding. CREM's work also supports the broader City-wide real estate capital planning process by improving visibility into real estate-related capital needs. To support closure, CREM will focus on demonstrating how building condition assessment (BCA) data, asset condition information, and maintenance needs are used to inform state of good repair (SOGR) planning, capital prioritization, and budget decision-making, and how the centre-led model supports consistency for assets outside CREM's direct portfolio.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>
#14	<p>The Deputy City Manager and Chief Financial Officer ensure that a database of the physical condition of all City-owned buildings is developed and forms the basis for a long-term capital plan. In addition, building condition assessments should be completed for all City-owned buildings using criteria based on industry standards and best practices developed by the Facilities and Real Estate Division.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>CREM has established and continues to use building condition and asset condition information to support long-term capital planning, state-of-good-repair planning, and prioritization of renewal needs. The CBRE Asset Management Services contract further strengthens this foundation by refreshing and standardizing building condition assessment and asset tagging information for in-scope City-owned buildings. This work supports a more consistent approach to identifying building deficiencies, assessing asset conditions, informing renewal needs, and linking asset information to SOGR planning and long-term capital planning. To support closure, CREM will focus on demonstrating how building condition information is captured, maintained, and used to inform capital planning decisions, and will clarify the treatment of buildings outside CREM-led processes within the City's current operating model.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>
#16	<p>The Deputy City Manager and Chief Financial Officer take appropriate steps to establish a maintenance plan for each City building that:</p> <ul style="list-style-type: none"> a. includes both capital and operating repairs for current and future years; b. addresses building deficiencies identified in building condition assessments; and

	<p>c. effectively coordinates maintenance and repair activities between the Design, Construction and Asset Preservation and Facilities Operations Units of the Facilities and Real Estate Division.</p> <p>Recommendation Category: High Priority</p>
<p>Management Response</p>	
	<p>CREM has established maintenance planning processes through SAP Plant Maintenance, preventative maintenance schedules, demand work orders, inspection records, asset-tagged equipment data, and capital planning processes. These processes help manage day-to-day maintenance needs, support preventative maintenance planning, and connect larger asset deficiencies to capital planning and SOGR prioritization where capital investment is required. CREM has also strengthened the link between maintenance planning, asset condition information, and capital planning through its lifecycle asset management work. To support closure, CREM will focus on demonstrating how building deficiencies are assessed and directed to the appropriate maintenance, repair, or capital planning pathway, and how this process is coordinated across the relevant CREM functions and communicated within the current centre-led model.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>
<p>#17</p>	<p>The Deputy City Manager and Chief Financial Officer ensure that all necessary building information is incorporated into the SAP Plant Maintenance and Asset Management Modules to assist in maintenance planning and repair decisions and provide a record of regulatory inspections.</p> <p>Recommendation Category: High Priority</p>
<p>Management Response</p>	
	<p>CREM uses SAP Plant Maintenance (PM) and related asset management processes to support maintenance planning, preventative maintenance scheduling, repair decisions, asset-tagged equipment records, work orders, and inspection documentation. Building Reports Canada (BRC) further supports fire and life safety inspection tracking. Together, these tools provide a foundation for using building and asset information to support maintenance planning, regulatory inspection records, repair decisions, SOGR planning, and capital prioritization. To support closure, CREM will focus on demonstrating how asset tagging, SAP PM, BRC, work order data, and building condition information collectively support maintenance and asset management processes, including how recently completed BCA information is incorporated into planning and decision-making as system updates continue.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>

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

No.	Recommendation
Fully Implemented and Closed	
#12	City Council request the General Manager, Facilities Management to plan, implement and incorporate the results of customer satisfaction surveys to improve custodial services delivery.
Not Fully Implemented	
#7	<p>City Council request the General Manager, Facilities Management to ensure each client group is provided with information about the cleaning service level they are receiving relative to the Custodial Standard Service Model and the associated costs of services provided. Such information be used to examine the opportunities to achieve more economical cleaning services.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>Full implementation of this recommendation will provide the necessary data to assess whether requests for increased cleaning are driven by client awareness gaps, service delivery issues, or changes in operational demand.</p> <p>At the same time, the industry accepts input-based metrics as the sole or appropriate method to monitor performance. The Division has intentionally transitioned to an outcome-based service model, where performance is evaluated based on achieving Association of Physical Plant Administrators (APPA) cleanliness outcomes and client satisfaction, rather than strictly measuring task completion times or prescriptive activity levels.</p> <p>CREM Directors will continue advancing this transformation by:</p> <ul style="list-style-type: none"> • Strengthening outcome-based monitoring through quality assurance (QA) inspections, work order trends, and client feedback • Enhancing client communication on service scope and APPA standards • Integrating performance insights (via Rec. #9) to support structured root-cause analysis of service requests <p>This approach ensures flexibility to account for real operating conditions while maintaining accountability for service outcomes. It also supports more effective resource allocation by focusing on results rather than prescriptive inputs.</p> <p>In the interim, CREM continues to rely on QA inspections, Duty Lists, and operational reviews.</p> <p>Full implementation will be achieved, enabling CREM to combine outcome-based performance evaluation with supporting data insights to proactively justify service decisions.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>

#9	<p>City Council request the General Manager, Facilities Management to identify, monitor, and report on key performance metrics on a regular basis relative to internal and external benchmarks for the purposes of regularly assessing the effectiveness and efficiency of cleaning services.</p> <p>Recommendation Category: High Priority</p>
Management Response	
<p>CREM will implement a standardized performance monitoring framework that integrates productivity (e.g., square footage per worker), cost (e.g., cost per square foot), and service level data alongside existing QA inspection results. Current QA tools primarily assess cleaning quality and do not yet provide a complete view of operational efficiency or cost drivers.</p> <p>CREM will establish regular monitoring and reporting processes, including facility-level and portfolio-wide analysis, to identify variances and inform operational decision-making. This will enable the Division to proactively identify service gaps, such as increased demand due to extended operating hours (e.g., 24/7 facilities), and adjust service levels accordingly. In the interim, CREM continues to leverage available data (e.g., QA results, labour reports, and work order volumes) to support limited monitoring, recognizing these measures are not yet sufficient to fully address the recommendation.</p> <p>Full implementation will be achieved following the completion and deployment of the integrated performance monitoring framework.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2027</p>	

Fleet Services

(6) Report Title: Fleet Services Operational Review Phase Two – Stronger Asset Management Needed, 2019

No.	Recommendation
Fully Implemented and Closed	
#4	<p>City Council request the General Manager, Fleet Services Division, to take steps to improve the consistency and reliability of its decision-making process for vehicles at or near the end of life, including:</p> <ul style="list-style-type: none"> a. Supplementing the lifecycle cost analysis with vehicle condition assessments (PMVs); and b. Revising the PMV form, process, timing and frequency of vehicle condition assessments to better inform asset replacement decisions.

#20	City Council request the City Manager to consider the appropriate role of Fleet Services in the management and oversight of the City's fleet assets, and provide the Fleet Services Division with authority to act accordingly.
-----	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Technology Services

(7) Report Title: Disaster Recovery Planning for City Computer Facilities, 2008

No.	Recommendation
Fully Implemented and Closed	
#2	The City Manager implement a disaster recovery and business continuity program that includes divisional roles and responsibilities, resource and training requirements, and simulation and plan maintenance schedules.
#7	The Chief Information Officer develop disaster recovery testing guidelines and provide training necessary to ensure cross-divisional consistency.

(8) Report Title: Controls Over Telecommunication Expenses Need Improvement, 2014

No.	Recommendation
Fully Implemented and Closed	
#4	City Council request the City Manager to direct divisions to review controls over access and use of group wireless devices. The inventory of group wireless devices should be reviewed and those not required should be cancelled.
#15	City Council request the City Manager to direct divisions to review their respective inventory of telecommunication devices to ensure that it reflects the current status of such devices. Inventories should be adjusted where appropriate and reviews should be performed on a periodic basis.

(9) Report Title: Software Licenses - Managing the Asset and Related Risks, 2015

No.	Recommendation
Fully Implemented and Closed	
#1	City Council request the Chief Information Officer to ensure there is a software owner identified for all software assets and that activities to ensure compliance with software licensing agreements are performed in accordance with the divisional policy.
#11	City Council request the Chief Information Officer to ensure that the inventory of software is completed as soon as possible and that software usage reports be developed and distributed to software owners for their review. Software owners should report back on license usage to the Chief Information Officer so that proper decisions can be made in relation to City software assets.

(10) Report Title: IT Infrastructure and IT Asset Management Review: Phase 1: Establishing an Information Technology Roadmap to Guide the Way Forward for Infrastructure and Asset Management, 2018

No.	Recommendation
Fully Implemented and Closed	
#4	<p>City Council request the Chief Information Officer, in consultation with all relevant divisions, to:</p> <p>a. Develop a comprehensive list of applications and identify those applications and systems that have the potential to be consolidated and modernized, eliminating the need to procure, implement, and maintain duplicative systems in the future.</p> <p>b. Review existing decentralized IT services and, where possible, consolidate these services with the Information & Technology Division.</p>

(11) Report Title: Improvement Needed in Managing the City’s Wireless Telecommunications Contracts, 2018

No.	Recommendation
Fully Implemented and Closed	
#3	<p>City Council request the Chief Information Officer to evaluate business and administrative feasibility for the introduction of a Bring Your Own Device (BYOD) program for wireless phones at the City. This feasibility and program should be evaluated in consultation with the City Solicitor, the Chief Financial Officer, the Executive Director of Human Resources and any other stakeholder(s).</p>
#5	<p>City Council request the Chief Executive Officers of City Agencies and Corporations to consider and implement the recommendations relevant to their operations included in the following Auditor General's reports:</p> <p>a. Toronto Transit Commission: Managing Telecommunication Contracts and Payments</p> <p>b. Improvements Needed in Managing City's Wireless Telecommunication Contracts.</p>

(12) Report Title: Information Technology Projects Implementation: Information Privacy and Cybersecurity Review of Human Resource System, 2021

No.	Recommendation
Fully Implemented and Closed	
#6	<p>City Council request the Chief Technology Officer to enhance the project management framework by:</p> <ul style="list-style-type: none"> a. including a review of internal controls for systems that involve financial transactions; and b. involving the Controller or the Director, Internal Audit in the review of user roles in relation to financial transaction processing to ensure that the appropriate segregation of duties is maintained for all user roles.
#10	<p>City Council request the Chief Technology Officer to:</p> <ul style="list-style-type: none"> a. research options to automate the move of configuration of systems, including cybersecurity and privacy configuration, from testing to the production environment; and b. alternatively, include a peer review (Quality Assurance) to verify post-implementation configuration in the system after it has been moved to the production environment.

(13) Report Title: City Needs to Improve Software License Subscription Tracking, Utilization and Compliance, 2021

No.	Recommendation
Fully Implemented and Closed	
#1	<p>City Council request the Chief Technology Officer to:</p> <ul style="list-style-type: none"> a. Identify agreements that require license tracking and reporting, b. Implement procedures to monitor compliance, and address any issues identified in a timely manner.
#2	<p>City Council request the Chief Technology Officer to improve the existing software procurement process to ensure:</p> <ul style="list-style-type: none"> a. Software subscriptions are thoroughly evaluated before purchasing, b. All software subscriptions are deployed in a timely manner, so there are no excessive software subscriptions.

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

No.	Recommendation
Fully Implemented and Closed	
#1	<p>City Council request the Chief Technology Officer to ensure:</p> <ul style="list-style-type: none"> a. all technology projects have an overall program-level charter developed that clearly defines the program implementation budget, timeline, and performance measurement, and is approved by all stakeholders; b. an overall program-level charter for the remaining phases of the Enterprise Work Management Solution that clearly defines the program implementation budget, timeline, and performance measurement, and is approved by all stakeholders; and c. a performance measurement framework is established to measure the achievement of technology project goals on a regular basis until the project is completed.
#3	<p>City Council request the Chief Technology Officer to review and improve the existing project status monitoring criteria and dashboards to include:</p> <ul style="list-style-type: none"> a. a methodology to accurately measure the implementation progress against budget spent and timelines; b. an update on the assessment of the benefits realization and potential losses that could incur as a result of increased expenditures and project delays; and c. potential short-term and long-term risks the project may face that would impact budget, timelines, and realizing intended benefits in a timely manner.
#4	<p>City Council request the Chief Technology Officer to report to City Council on the status of the Enterprise Work Management Solution program by June 30, 2024:</p> <ul style="list-style-type: none"> a. Total expected cost of implementation b. Status of benefits realized for divisions that have completed the implementation c. Planned benefit realization for the entire Enterprise Work Management Solution program.
#5	<p>City Council request the Chief Technology Officer to develop criteria and requirements for Executive Steering Committee meetings based on project size and complexity, to ensure a consistent approach is followed.</p>
#10	<p>City Council request the Chief Technology Officer in coordination with the Chief Financial Officer and Treasurer to review the existing reporting process to City Council for major technology project budgets and costs and implement:</p>

	<ul style="list-style-type: none"> a. A process to ensure that consolidated budget and expenditures are reported to City Council for major cross divisional technology projects; and b. A process to ensure that all expenditures from inception to date related to a major technology project are included in the Technology Service Division’s Budget Notes and Quarterly Capital Variance Reports.
#11	<p>City Council request the Chief Technology Officer to:</p> <ul style="list-style-type: none"> a. Establish criteria as to what constitutes critical documents for a project; and b. Develop a process to ensure critical documents are maintained and retained throughout the project management lifecycle, with final versions stored in the program site according to the City’s Record Retention policy.

(15) Report Title: Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences, 2024

No.	Recommendation
Fully Implemented and Closed	
#6	<p>City Council request the Chief Technology Officer evaluate the current email back-up procedure to:</p> <ul style="list-style-type: none"> a. Finalize the related procedure and guidelines to ensure M365 licences assigned to employees who leave the City are terminated in a timely manner; and b. Terminate or re-assign, as needed, active M365 licences of former staff identified in this report.
Not Fully Implemented	
#4	<p>City Council request the Chief Technology Officer to improve on the project planning and coordination for the remaining phases of implementing the Public Digital Access Solution.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>We have reviewed the documentation and note that, based on the number of licences currently being deployed, coordination efforts are still ongoing for the remaining phases of the project. Majority of the PDA (Public Digital Access) licences originally planned (back in 2024) for rollout in 2025 have not yet been deployed and are expected to be implemented over the coming few months and years. This recommendation focuses on coordination by the City to help advance the deployment</p>

	<p>of PDA licences. With additional work still ongoing in the remaining phases, the status remains in progress.</p> <p>Percentage Completion: 50%</p> <p>Completion Date: March 31, 2028</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

DEVELOPMENT AND GROWTH SERVICES

Housing Secretariat

(16) Report Title: Strengthening Accountability and Outcomes for Affordable Housing: Understanding the Impact of the Affordable Home Ownership Program, 2020

No.	Recommendation
<i>Not Fully Implemented</i>	
#1	<p>City Council request the Executive Director, Housing Secretariat, in collaboration with the General Manager, Shelter Support and Housing Administration Division to:</p> <ul style="list-style-type: none"> a. develop mechanisms to assess the outcomes of the affordable home ownership program, including the extent to which the program is effectively contributing towards the City's housing priorities. In doing so, the Housing Secretariat should also review and implement the relevant outstanding recommendations from its 2012 study. b. consider and recommend enhancements or adjustments to the affordable home ownership program and / or level of funding, if outcomes are not being effectively achieved through the program in its current form.
<i>Management Response</i>	
	<p>The Housing Secretariat has implemented the actions required to satisfy the recommendations, however understanding the impact of the operational and program changes is dependent on the delivery of a significant number of loans and the collection of information when a unit is sold and resold, or a loan prepaid by the initial loan recipient. These events have not yet occurred, so this data is not available. The timing of resales or prepayments cannot be predicted as homeowners alone decide when to sell their home or prepay a loan.</p> <p>Housing Secretariat Actions: The Housing Secretariat hired the consultants BEAM Group/BMG to review the Affordable Ownership Program and recommend program enhancements to effectively contribute towards the City's housing priorities. The consultants were asked to specifically review the Auditor General's recommendations, in addition to assessing opportunities to enhance the overall program and identify mechanisms to assess program outcomes. The scope of the review included an evaluation of the program's effectiveness, alignment with the City's housing priorities and incorporated relevant recommendations from the 2012 study.</p>

	<p>The revised program was approved by City Council in December 2024 through 2024 PH17.7 - Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing.</p> <p>1a) In progress - The relaunched Home Ownership Assistance Program is now being implemented and ongoing monitoring will determine if further adjustments to program design or funding levels are required to ensure intended outcomes are achieved.</p> <p>1b) Implemented – Program policy changes were approved by City Council through PH17.7, prior to which the City engaged BEAM/BMG to review the program and the Auditor General’s recommendations. As part of this review, BEAM/BMG consulted with program homeowners, and the findings were documented in its final report. The program is now being implemented and revised terms are reflected in program materials including funding agreements.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#2	<p>City Council request the Executive Director, Housing Secretariat to define the targeted level of housing affordability it aims to provide through its affordable home ownership program and give consideration to:</p> <ul style="list-style-type: none"> a. aligning the definition with other municipal / provincial definitions; b. setting limits on gross debt service ratios for eligibility; c. establishing maximum purchase price limits, that are at or below the average market values for that unit type / size and that will support the City's desired level of affordability.
<p>Management Response</p>	
	<p>The Housing Secretariat has advanced the actions required to satisfy the recommendations through City Council’s adoption of PH17.7 - Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing.</p> <p>Outcomes will be measured over time to assess the impact of the program changes.</p> <p>2a) Implemented with verification in progress and over a period of time - Per PH17.7 - Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing, the program now has revised affordability terms and targets using updated eligibility and pricing guidelines that reflect updated municipal and provincial definitions. The program has set targets that aim to provide housing affordability for purchasers with incomes from the 60th to the 80th percentile.</p>

	<p>Through the Ontario - Toronto New Deal Modular Ownership initiative the Province has expanded household eligibility to the 70th income percentile, and through PH17.7 the City has expanded household eligibility up to the 80th income percentile.</p> <p>2b) Implemented following PH17.7 with verification in progress and over a period of time – Debt service ratios are subject to prospective households attaining a primary mortgage from a regulated lender. The consulting report recommended that proponents set their own gross debt service ratios, and the City collect this information through the purchaser review process and negotiation of legal agreements.</p> <p>2c) Implemented as a part of PH17.7 with verification in progress and over a period of time – Maximum purchase price limits have been established at or below average market values for each unit type and size to support the City’s affordability goals.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#3	<p>City Council request the Executive Director, Housing Secretariat to analyze the extent to which the affordable home ownership program has helped households in purchasing homes that are affordable to them (i.e. whether or not loan recipients meet the targeted level of housing affordability). This analysis should, in turn, be considered when assessing the overall impact of funding on the achievement of housing objectives and outcomes.</p>
<p>Management Response</p>	
	<p>The Housing Secretariat has implemented the actions required to satisfy the recommendations through the advancement of PH17.7 - Relaunch of the Home Ownership Assistance Program to Support New Non-Profit Affordable and Attainable Home Ownership Housing.</p> <p>The analysis of the program’s impact on housing affordability for past homeowners has been completed through the HOAP evaluation conducted by the consultants BEAM/BMG, which confirmed that loan recipients were able to purchase homes that would not have been affordable to them without program assistance.</p> <p>For homeowners who purchased homes after the adoption of PH17.7, this analysis will be undertaken as new households purchase and eventually resell their homes, allowing the City to assess whether units are affordable to program participants and meet targeted affordability levels.</p> <p>At this time, this work is considered in progress as there is insufficient data to complete a meaningful review. However, requirements for proponents to collect and report this information are embedded in updated program agreements. Verification will be completed over a period of time.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>

#4	<p>City Council request the Executive Director, Housing Secretariat to confirm that the information households provide for loan eligibility purposes is consistent with what they submit to their third-party lenders, who assess whether the purchasers can carry the cost of ownership when approving them for a primary mortgage. This will help better assess if they have included all income and asset sources, particularly where they appear to have exceeded the targeted level of housing affordability.</p>
<p>Management Response</p>	
	<p>The Housing Secretariat has taken actions required to satisfy the recommendations.</p> <p>Implemented to the extent possible, given project development and sales timelines, with verification in progress and over a period of time – This requirement has been included in the City's Delivery Agreements with developers and program administrators that have been completed since the audit. It will be further implemented and verified through the loan allocation, sales and resales processes.</p> <p>The program has been updated so that purchasers must provide the same mortgage application materials that they submit to their third-party lenders. This ensures the City can confirm that the information used to determine program loan eligibility is consistent with what lenders review, including income and asset details. This addition allows the City to verify compliance and assess whether purchasers fall within the targeted affordability levels.</p> <p>At this time, this work is considered in progress and the requirement will be verified as new homes are purchased, and then resold and purchased by future eligible homeowners.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#5	<p>City Council request the Executive Director, Housing Secretariat to pursue measures related to ongoing affordability that the City should implement. This could include:</p> <ul style="list-style-type: none"> a. pursuing legislative changes for ongoing affordability, outside of the Planning Act (i.e. to allow the City to enter into housing agreements with ongoing affordability conditions like tenure of housing and resale price restrictions that can be registered on title). b. considering other non-legislative options to offer ongoing affordability, including exercising option to purchase terms on resale.
<p>Management Response</p>	
	<p>The Housing Secretariat has taken actions required to satisfy the recommendations.</p> <p>5a) and b) Implemented to the extent possible – The program now enables on-going affordability from one eligible purchaser household to the next and this has been implemented through legal agreements with proponents.</p>

	<p>The evaluation of the effectiveness of on-going affordability through the resale process is in progress and will be assessed when homeowners choose to sell their homes and a new eligible purchaser is approved and purchases the home. Because homeowners are not required to sell their homes within a set period of time, staff cannot predict when a resale will occur. An assessment of the impact of these program changes will be done as resales occur over a period of time.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#6	<p>City Council request the Executive Director, Housing Secretariat to:</p> <ul style="list-style-type: none"> a. require proponents to track and report the reasons why loan discharges and/or unit resales have occurred. This information should be used when assessing the overall impact of funding. b. obtain and review calculations and supporting documents for loan and capital appreciation repayments to the City to ensure amounts calculated by proponents and repaid to the City are accurate and reasonable.
<p>Management Response</p>	
	<p>6a) Implemented through new legal agreements with verification over a period of time – The program now requires proponents to track and report the reasons why loan discharges and/or unit resales have occurred. Verification remains in progress as no homes have been resold since the program change and the implementation of the new terms.</p> <p>6b) Implemented – The program obtains and reviews calculations and supporting documents for loan and capital appreciation repayments to the City to ensure amounts repaid to the City are accurate and reasonable. Verification remains in progress as no homes have been resold since the program change and the implementation of the new terms.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#7	<p>City Council request the Executive Director, Housing Secretariat to pursue changes to affordable home ownership program requirements that will support prioritization of affordable home ownership opportunities and funding based on local needs and City priorities. In setting priorities, the City should consider collecting data on the types of applicants who applied to / expressed interest in opportunities at affordable home ownership developments. In doing so, the Housing Secretariat should consult with key stakeholders, including proponents, and consider best practices from other jurisdictions to ensure any changes support intended program outcomes.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>

Management Response	
	<p>Demographic data requirements are included in updated legal agreements. The City will assess this information as homes are sold and reviews are conducted to verify eligibility. Compliance and the effectiveness of these measures will be assessed once new homebuyers access the program and demographic reporting is more fully available.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#8	<p>City Council request the Executive Director, Housing Secretariat to implement enhanced program guidelines to ensure loan recipients meet the spirit of the affordable home ownership program. This may include:</p> <ul style="list-style-type: none"> a. limits on assets. This should consider purchasers' bank and investment balances and the amount of personal funds available to pay for deposits, down payments and /or upgrades. b. a minimum number of years where applicants must demonstrate they meet income requirements. Income documentation should be as current as possible to reflect applicants' true financial pictures at the time of application. Income requirements should also consider and address circumstances where there are changes to household composition or income after the time of application. c. restrictions on residency, whereby applicants who are currently living in Toronto prior to applying are prioritized. <p>In enhancing guidelines, the Housing Secretariat should consult with key stakeholders, including proponents, and consider best practices from other jurisdictions to ensure any changes best support intended program outcomes.</p>
Management Response	
	<p>Implemented through new legal agreements with verification in progress and over a period of time.</p> <p>Enhanced eligibility guidelines have been incorporated into the redesigned program, including clarified income thresholds aligned to the 60th–80th percentiles, residency requirements confirming applicants must be Torontonians who are permanent residents or Canadian citizens, and documentation standards captured within the Comprehensive Purchaser Documentation Package. Consistent with the consultants' recommendations following the 2020 program review, no additional asset limits were added beyond those set by non-profit program delivery partners.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>

<p>#9</p>	<p>City Council request the Executive Director, Housing Secretariat to:</p> <ul style="list-style-type: none"> a. ensure future affordable home ownership program delivery agreements are clear on the number of modest units at affordable prices proponents are expected to provide. Targets should reflect the level of affordability the City intends to create and the amount of loan funding allocated to the development should support this objective. b. improve monitoring of proponent sales of affordable units and issuance of loans in order to more proactively address challenges in creating the expected number of affordable home ownership opportunities. Where proponents do not achieve targets, the City should assess the root causes and determine if program adjustments are required as part of its overall program evaluation. c. improve the timeliness with which unused funding for affordable home ownership loans is returned to the City so that it can be made available to better support other housing opportunities and priorities.
<p>Management Response</p>	
	<p>Implemented through new legal agreements with verification in progress and over a period of time.</p> <p>Program updates approved through PH17.7 establish clearer expectations for affordability targets tied to City investment levels and support the shift towards a rolling application process for allocating funds when feasible. These changes enable more timely deployment and return of unused loan funding and strengthen monitoring of unit delivery and loan issuance on a project-by-project basis.</p> <p>As processes are implemented, performance against targets will be assessed as new projects advance, units are completed, sold and resold over a period of time. Monitoring requirements are embedded in the new Delivery Agreements executed after this audit recommendation was adopted.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
<p>#10</p>	<p>City Council request the Executive Director, Housing Secretariat to implement a formally documented review process to ensure that:</p> <ul style="list-style-type: none"> a. all applicant, unit eligibility, ongoing occupancy and other delivery agreement requirements for the affordable home ownership program have been met. Loan files should be reviewed for any discrepancies between documents (i.e. to ensure information reported between documents is consistent) and appropriate follow-up action, in collaboration with proponents, should be taken to ensure eligibility requirements have been met. b. information provided by proponents on semi-annual reports is accurate and consistent with loan files submitted. To allow for effective program evaluation,

	<p>reports should capture all loan sources, including amounts provided directly by proponents.</p>
<p>Management Response</p>	
	<p>The program’s loan review process is now supported by updated Delivery Agreement requirements, including eligibility criteria, applicant documentation, occupancy declarations, progress reports, and semi-annual reporting. These tools in effect formally document the loan review process and provide the framework for verifying applicant and unit eligibility, ensuring consistency across loan files, and confirming the accuracy of proponent reporting.</p> <p>10a) Implemented through new legal agreements with verification in progress and over a period of time as homes are sold and resales to future eligible purchaser households occur.</p> <p>10b) Implemented through new legal agreements with verification in progress and over a period of time as homes are sold and resales occur. Semi-annual reporting is triggered once a development is occupied.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>
#11	<p>City Council request the Executive Director, Housing Secretariat to:</p> <ul style="list-style-type: none"> a. provide enhanced guidance on how proponents should validate and document that income, legal status, residential tenancy and other delivery agreement requirements for the affordable home ownership program have been met (i.e. what documents to obtain and review). b. provide guidance on what proponents should be looking for when reviewing eligibility documentation and how to properly document and follow-up on any discrepancies noted.
<p>Management Response</p>	
	<p>11 a & b) Implemented through new legal agreements with verification in progress and over a period of time as homes are sold and resales occur.</p> <p>The program’s loan review process is now supported by updated Delivery Agreement requirements, including eligibility criteria, applicant documentation, occupancy declarations, progress reports, and semi-annual reporting. These tools in effect formally document the loan review process and provide the framework for verifying applicant and unit eligibility, ensuring consistency across loan files, and confirming the accuracy of proponent reporting.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: June 30, 2036</p>

(17) Report Title: City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs, 2023

No.	Recommendation
Fully Implemented and Closed	
#1	<p>City Council request the Executive Director, Housing Secretariat, through the Executive Steering Committee for site selection, to:</p> <ol style="list-style-type: none"> a. Perform subsurface investigation and due diligence on land/soil and infrastructure and servicing constraints prior to the final decision on site selection; b. Obtain from the Corporate Real Estate Management Division a cost-estimate analysis of site remediation to be included in the development of site budgets; and c. Provide the above information to the proponents in the request for proposal (or to the contractor early on in the project) to facilitate a more accurate price quote and project cost estimate.
#3	<p>City Council request the Executive Director, Housing Secretariat to ensure the re-zoning is in effect before beginning construction of future modular units, to reduce the risk of potential delays and additional costs related to storage, transportation, and other costs that may be incurred in trying to re-purpose or sell the modules.</p>
#4	<p>City Council request the Executive Director, Housing Secretariat to continue to discuss and negotiate with funding provider(s) more reasonable timelines for future modular housing projects.</p>
#7	<p>City Council request the Executive Director, Housing Secretariat, in conjunction with the Executive Director, Corporate Real Estate Management Division and the CEO, CreateTO, to:</p> <ol style="list-style-type: none"> a. Clarify in writing, the roles and responsibilities for each of the parties involved in the modular housing project management process, ensuring they are clearly understood; and b. Develop and implement a process to ensure consistent financial data is shared and used by all parties for reporting purposes of modular housing projects.
#9	<p>City Council request the Executive Director, Housing Secretariat in conjunction with the Executive Director, Corporate Real Estate Management Division to conduct a thorough review and reconciliation of existing costs in the system to ensure all costs incurred to date for Phase One and Phase Two modular housing projects have been captured and allocated to the correct accounts.</p>

#10	<p>City Council request the Executive Director, Housing Secretariat to:</p> <ul style="list-style-type: none"> a. Develop and implement a process for cost recording of modular housing projects to ensure all future costs (including all hard and soft costs) are captured and allocated to the correct site-specific cost centre and cost account; b. Perform timely and regular cost allocation to site-specific cost centres for future invoices that contain costs for multiple sites; and c. Develop a process to review the entries booked by other divisions in the financial system to ensure their accuracy and completeness.
#13	<p>City Council request the Executive Director, Corporate Real Estate Management Division for Phase Two and future modular housing projects to:</p> <ul style="list-style-type: none"> a. Develop and implement a process to review the process payment invoice to ensure it is accurate and reflects the updated work progress; b. Verify work progress through on-site inspections and document the review; and c. Ensure all file review questions and comments are adequately addressed, documented and retained.
#14	<p>City Council request the Executive Director, Corporate Real Estate Management Division, in consultation with City Legal Services, to:</p> <ul style="list-style-type: none"> a. Assess whether the project management fees and markups were reasonably charged; b. Seek to recover any overpayment, if the project management fees and markups are not reasonably charged by the contractor; and c. Assess whether there is a need to amend future contracts for project management fees and change order markups in order to provide clarity on interpretation.
#17	<p>City Council request the Executive Director, Housing Secretariat, in conjunction with the Executive Director, Corporate Real Estate Management Division, and CEO, CreateTO, to develop, implement and comply with a standard file documentation and retention policy for the program, aligned with the City's policy on record retention. The policy should specify documents to be created and retained (and retention length), especially for any information supporting significant decisions made during the process.</p>
#18	<p>City Council request the Executive Director, Corporate Real Estate Management Division, in consultation with the Executive Director, Housing Secretariat, to develop a warranty management process, including actively monitoring any event(s) of repairs and damages on the modular housing buildings after building occupancy.</p>

<p>#19</p>	<p>City Council request the Executive Director, Housing Secretariat to conduct and document on a timely basis, a more formalized lesson learned review after each past and future modular housing project is completed, to be completed within one year of the modular housing project completion and by the end of the second quarter of 2025 for all previous modular housing projects, which should include:</p> <ul style="list-style-type: none"> a. Inputs from all participating divisions of the project team; b. A review of contract design, procurement of the contractor, cost and budget management, contractor performance, and operations; and c. A consideration of lessons learned from past projects.
<p>Not Fully Implemented</p>	
<p>#2</p>	<p>City Council request the Executive Director, Housing Secretariat and the Executive Director, Corporate Real Estate Management Division, in the budget development process for future modular housing projects, to:</p> <ul style="list-style-type: none"> a. Conduct a review to understand all cost elements (construction and non-construction) that would be expected to be incurred in preparing a site ready for operation; b. Include the above cost elements for budget development; c. Document assumptions used for the estimated budget numbers; and d. Clearly define which party is responsible for managing each cost item within the budget.
<p>Management Response</p>	
	<p>The Division is currently collaborating with relevant stakeholders to update the existing “Project Budget Cost Sheet Template” to identify which division/agency is responsible for providing the budget for each cost element. It is expected to have this work completed by the end of Q3 2026.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: September 30, 2026</p>

<p>#12</p>	<p>City Council request the Executive Director, Corporate Real Estate Management Division, in consultation with the Executive Director, Housing Secretariat, to ensure consistent compliance with the new change order process for all future modular housing projects by finalizing the development of the change control process and protocols, and including the following steps:</p> <ol style="list-style-type: none"> a. Complete the negotiation of change order work on a timely basis and ensure work is not started until the Executive Director, Corporate Real Estate Management Division approves the change order request; b. Obtain and review supporting documents from the contractor for each change order and require approval of change orders before payment is made; and c. Clearly define the roles and responsibilities of the third-party contractor, if one is employed as the Payment Certifier or Contract Administrator on behalf of the City for both payment certification and the review and approval of change orders.
<p>Management Response</p>	
	<p>Management agrees with the findings as the 2nd level approvals from Manager were not found. The Manager turnover/hiring coincide with this timeline and the Project Manager failed to provide the change order to review/approve to next level approver (Project Director). Management will reiterate, enforce and document the requirement of 2nd level approvers for all change orders without exception.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: September 30, 2026</p>
<p>#15</p>	<p>City Council request the Executive Director, Corporate Real Estate Management Division, in consultation with Chief Procurement Officer, for Phase Three and future modular housing projects to:</p> <ol style="list-style-type: none"> a. Implement a vendor performance management process to address the unique requirements of modular housing projects; b. Summarize a list of key performance requirements and deliverables from the modular housing contracts; c. Monitor and evaluate the contractor’s performance and quality of design and manufacturing throughout and after the completion of the project; and d. Identify, document, and resolve any contractor performance, design, and manufacturing issues.

Management Response	
	<p>Supplementary Conditions to the Construction Management Contract have been included for Modular Phase 3 projects (CCDC5B). The conditions outline the Construction Managers Fee (fixed, percentage and time-based). The City delivery team will continue to monitor these costs and adhere to the agreement to follow the services and compensation rules. The CPEs will be fulfilled once projects being delivered for Phase 3 modular have been substantially completed (expected Q4 2026).</p> <p>Percentage Completion: 50%</p> <p>Completion Date: December 1, 2026</p>
#16	<p>City Council request the Executive Director, Corporate Real Estate Management Division, in consultation with the Executive Director, Housing Secretariat, to finalize its project management processes, including but not limited to project cost tracking, progress payment invoice review, project close-out and contractor performance monitoring, and ensure compliance with those processes.</p>
Management Response	
	<p>Management agrees with the recommendation and will review all policies with HS and will document review/approval with HS by end of Q3 2026 (9/30/2026).</p> <p>Percentage Completion: 50%</p> <p>Completion Date: September 30, 2026</p>

Toronto Building

(18) Report Title: Building Better Outcomes - Audit of Toronto Building's Inspection Function, 2023

No.	Recommendation
Not Fully Implemented	
#11	<p>City Council request the Chief Building Official and Executive Director, Toronto Building Division, to:</p> <ul style="list-style-type: none"> a. strengthen processes to ensure staff are consistently following the Division's operational policies for documenting activities performed during an inspection. a. strengthen existing policies to address expectations for improved record-keeping of inspection process steps for each construction component related to each stage of construction specified in Toronto Building's "Field Inspection Service Levels" that are not passed and/or need to be completed.

Management Response	
	<p>Toronto Building has strengthened its inspection recordkeeping guidelines, quality assurance processes, and implemented annual training to ensure staff are consistently following the division’s operational policies and improve divisional recordkeeping.</p> <p>Follow-up feedback from the Auditor General highlighted the need for continued monitoring and analysis of quality assurance review results, as well as more timely and consistent feedback between management and inspectors. In response, the Division will continue to enhance its feedback processes and is conducting ongoing analysis of quality assurance results, to identify trends and areas requiring further guidance or training.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2026</p>

(19) Report Title: Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses, 2023

No.	Recommendation
Not Fully Implemented	
#6	<p>City Council request the Chief Building Official and Executive Director, Toronto Building Division, to implement policies, procedures and training to ensure:</p> <ul style="list-style-type: none"> a. inspectors retain all relevant plans and drawings for a project on file; b. inspectors clearly document which plans they used for their inspection work; and c. inspectors use the City-approved plans for their inspection work, and if also using other plans such as engineered wood drawings from a manufacturer, that they match them to the City-approved plans.
Management Response	
	<p>Toronto Building has strengthened quality assurance and documentation practices through the implementation of monthly reviews of inspectors’ notes, as well as updates to administrative processes and inspector training materials.</p> <p>These actions reinforce expectations for inspectors regarding the documentation and retention of inspection records, including plans, drawings, and supporting materials. Training and guidance materials have been updated to improve consistency in how inspectors identify and maintain required documentation</p>

	<p>Follow-up feedback from the Auditor General highlighted the need for greater clarity and consistency in relation to the retention of non-City approved plans and drawings that are reviewed during inspections. In response, Toronto Building will work to enhance oversight of recordkeeping to further improve documentation practices and establish clearer expectations of staff during the inspections process.</p> <p>Percentage Completion: 50%</p> <p>Completion Date: June 30, 2027</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

FINANCE AND TREASURY SERVICES

Accounting Services

(20) Report Title: Review of The Management of the City's Divisional Accounts Receivable, 2012

No.	Recommendation
Fully Implemented and Closed	
#1	City Council request the City Manager to review the current management of all City-wide receivables. Such a process should be a part of the ongoing shared service review. The review should include an evaluation of centralizing the collection efforts of all outstanding receivables.

(21) Report Title: Review of Divisional Purchase Orders, 2015

No.	Recommendation
No Longer Applicable and Closed	
#1	<p>City Council request the City Manager to expedite implementation of the outstanding recommendation, below, which is contained in the Auditor General’s 2010 report “City Purchasing Card (PCard) Program – Improving Controls Before Expanding the Program”:</p> <p>“The Treasurer develop and implement strategies to promote and expand the use of PCards by City divisions. Such strategies should include, but not be limited to:</p> <ol style="list-style-type: none"> a. Analyzing divisional purchasing patterns to identify potential areas for expansion. b. Developing and implementing measures to increase the use of PCards by divisions. c. Setting performance goals for the City based on the number of participating divisions and yearly PCard purchase volume.”

Purchasing and Materials Management

(22) Report Title: City Stores: Maximize Operating Capacity to Be More Efficient, 2012

No.	Recommendation
Fully Implemented and Closed	
#4	City Council request the Director, Purchasing and Materials Management, in consultation with the Chief Information Officer, to develop and implement an online system for ordering goods from City and Divisional stores.

(23) Report Title: Strengthening Enforcement of the Fair Wage Policy, 2016

No.	Recommendation
Fully Implemented and Closed	
#6	City Council request the City Solicitor, in consultation with the Manager, Fair Wage Office, to review the current penalty provisions to ensure that they are effective in deterring vendors from breaching the Fair Wage Policy.

(24) Report Title: Obtaining the Best Value Through the Use of Vendor Rosters, 2017

No.	Recommendation
Fully Implemented and Closed	
#1	<p>City Council request the Director, Purchasing and Materials Management, to:</p> <ul style="list-style-type: none"> a. provide clear guidance on roster design, unless there is an overriding consideration otherwise, vendor selection methods that prioritize cost should be used; and b. update the Buyer review process for rotational rosters, such as including verification of how a vendor was selected, and that prices charged match the original submissions made to the Request for Expression of Interest.
#2	City Council request the Director, Purchasing and Materials Management, to provide guidance in its Roster Procedure on the use of different evaluation criteria during the roster qualification process.
#3	City Council request the Director, Purchasing and Materials Management, to ensure Buyers provide adequate oversight of the roster qualification process, including a review of the evaluation outcome and documenting the decision process and rationale for deviations from the terms in the call document.

#4	City Council request the Director, Purchasing and Materials Management, to review current roster processes and make adjustments where necessary to ensure that controls developed in Purchasing and Materials Management's Unbalanced Bidding procedure are also implemented in all applicable areas of roster activity.
#5	City Council request the Director, Purchasing and Materials Management, to develop clear guidelines regarding contractor/subcontractor relationships within a roster, including the need for disclosure, responsibility for monitoring and analysis, and the resolution process when potential conflicts of interest are identified.
#8	<p>City Council request the Director, Purchasing and Materials Management, to review the roster management objectives and information requirements to identify opportunities for improving efficiencies and maximizing the use of rosters by divisional staff, including a consideration of:</p> <ul style="list-style-type: none"> a. developing a reporting process on the roster program's overall activities; b. publishing and maintaining an accurate list of active rosters available to City staff; c. simplifying input requirements for the roster Master List; and d. revising the quarterly reporting process.
Not Fully Implemented	
#6	<p>City Council request the Director, Purchasing and Materials Management, to review controls relating to rosters with unique circumstances such as the ones held by the Environment and Energy Division, and ensure that there is sufficient oversight over its purchasing activity, in particular the bid receipt and evaluation process.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>Centralizing the compliance monitoring of the roster program was delayed due to the staff resources required for the implementation of SAP Ariba Buying & Invoicing and S/4HANA. The Corporate Contract and Supplier Relationship Management program has been launched in Q2 and centralized roster management and compliance monitoring will be among its key functions. The timeline for completion of this recommendation is Q4 2026.</p> <p>Percentage Completion: 25%</p> <p>Completion Date: December 31, 2026</p>
#7	<p>City Council request the Director, Purchasing and Materials Management, to ensure that the required control processes as specified in its Roster Procedure are consistently implemented and that staff are appropriately following up on any issues identified; where it is determined that a control is not practical or not working as intended, the Procedure should be reviewed and amended where needed.</p> <p>Recommendation Category: High Priority</p>

Management Response	
	<p>Centralizing the compliance monitoring of the roster program was delayed due to the staff resources required for the implementation of SAP Ariba Buying & Invoicing and S/4HANA. The Corporate Contract and Supplier Relationship Management program has been launched in Q2 and centralized roster management and compliance monitoring will be among its key functions. The timeline for completion of this recommendation is Q4 2026.</p> <p>Percentage Completion: 25%</p> <p>Completion Date: December 31, 2026</p>

(25) Report Title: Audit of Interface Invoice Payments - Improving Contract Management and Payment Processes, 2019

No.	Recommendation
Fully Implemented and Closed	
#9	City Council request the Chief Information Officer to develop policies and procedures to review SAP access for divisions so that they can periodically review whether staff access to systems is appropriate, and make any necessary changes in a timely manner.
#15	City Council request the Director, Environment and Energy Division, to perform a one-time validation of those accounts that do not have a specific service address, with respective divisions and establish a baseline for future validation.
#16	<p>City Council request the General Manager, Facilities Management Division to develop:</p> <ul style="list-style-type: none"> a. a complete list of all City-owned transformers. b. a process for validating city’s records of transformers with hydro service provider for eligible credits. Further, the transformer list should become part of the Facilities maintenance program.

Not Fully Implemented	
#1	<p>City Council request the Chief Purchasing Officer to work with the Controller to:</p> <ul style="list-style-type: none"> a. standardize and refine product purchases across divisions; b. capture data to track usage and compare against the goods and services specified in the contract; c. expand data analytics to centrally monitor and analyze expenditures as part of the contract management and payment process; d. develop a reporting process to identify large deviations in goods purchased, from the goods specified in contracts, documenting the reasons for the deviation, and estimating the financial impact. <p>Recommendation Category: High Priority</p>
Management Response	
	<p>A working group has been established in Q1 2026 to implement procedures for expanded data analytics and to develop a report process regarding deviations and financial impacts. PMMD will continue its work to implement parts c and d.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: September 30, 2026</p>
#6	<p>City Council request the Chief Purchasing Officer to develop criteria and procedures for limiting the use of 'miscellaneous category' in contracts. Any excess expenditures under the miscellaneous category over a specified limit should be reported as exceptions to respective Division Heads.</p> <p>Recommendation Category: High Priority</p>
Management Response	
	<p>A working group has been established in Q1 2026 to implement Miscellaneous Line Item Exception Reporting for Divisions. PMMD will resume sending out the report to Division Heads on a regular basis.</p> <p>Percentage completion: 75%</p> <p>Completion Date: September 30, 2026</p>

INFRASTRUCTURE SERVICES

Engineering and Construction Services

(26) Report Title: Engineering and Construction Services - Phase Two: Construction Contract Change Management Controls Should Be Strengthened, 2019

No.	Recommendation
Fully Implemented and Closed	
#4	<p>City Council request the Chief Engineer and Executive Director, Engineering and Construction Services, to:</p> <ol style="list-style-type: none"> a. review and update the contract language relating to Specific Condition 32 to remove any ambiguity. b. at the time of construction contract close-out, calculate the cost of engineering associated with the contract and summarize and review on an annual basis the overall cost of engineering as a percentage of construction costs with a view to evaluating whether the cost of engineering is reasonable. c. implement edit checks into the Project Tracking Portal to prevent errors and to ensure the accuracy and completeness of important contract information such as tender award date, purchase order date, and substantial completion date. Further, these edit checks should ensure that standard contract naming conventions are used. d. ensure that production and training data in the Project Tracking Portal are segregated to maintain data integrity. e. develop and implement a standard procedure for transferring funds from unused tender line items to contingency through the use of change orders. f. ensure that contingency items such as miscellaneous items, provisional items and various allowances are appropriately tagged in the Project Tracking Portal for tracking, monitoring and analysis of contingency usage.
Not Fully Implemented	
#1	<p>City Council request the Chief Engineer and Executive Director, Engineering and Construction Services, to:</p> <ol style="list-style-type: none"> a. establish a process and criteria to review and assess liabilities arising from third-party errors and omissions. b. implement enhancements to the Project Tracking Portal to track the reasons for change orders for analysis and process improvements on an ECS-wide basis. c. analyze the root causes for change orders, change order costs, and track recoveries from third parties on account of errors and omissions.

	<p>d. ensure that future bridge rehabilitation project tenders are based on recent condition assessments, undertaken within five years of the construction tender preparation.</p> <p>e. formalize the implementation of the Professional Services Performance Evaluation, recently piloted by Engineering and Construction Services, to include consequences for poor performance up to and including suspension.</p> <p>Recommendation Category: High Priority</p>
<p>Management Response</p>	
	<p>Engineering and Construction Services has implemented significant changes to its systems including establishing processes and procedures for all of the items above leading to the 75% completion. We have also established a Quality Assurance function to assess and support staff in sustaining action on the remaining elements of the recommendations.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2026</p>
<p>#2</p>	<p>City Council request the Chief Engineer and Executive Director, Engineering and Construction Services, to:</p> <p>a. establish specific service standards for the timely approval of change directives and change orders after finalizing the scope of work and pricing.</p> <p>b. ensure that work only commences after either a change directive or change order is issued which includes a clear and documented agreement on pricing and scope. For time-sensitive changes, staff should obtain appropriate approval via e-mail and expeditiously follow-up with change order documentation.</p> <p>c. ensure that delegated signing authority limits are enforced and that each signature on a change order is individually dated.</p> <p>d. establish a formal 'Record of Evaluation and Negotiation' template to internally document the negotiations with contractors over the cost of work and also the assessment of price reasonability.</p> <p>e. ensure that a change directive is always issued for quantity overruns that are expected to exceed a set threshold as outlined in ECS's Capital Works Procedures Manual.</p> <p>Recommendation Category: High Priority</p>
<p>Management Response</p>	
	<p>Engineering and Construction Services has implemented the majority of the recommendations however greater overall compliance requires on-going support to staff. Action was taken in late 2025 to develop change order training. By the end of Q2 2026 all staff involved in contract management will have received the training. Engineering and</p>

	<p>Construction Services has also developed communication tools and a compliance review process to assess and support contract change management.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2026</p>
#3	<p>City Council request the Chief Engineer and Executive Director, Engineering and Construction Services, to:</p> <ul style="list-style-type: none"> a. in consultation with Corporate Finance, the Fair Wage Office, Legal Services and Purchasing and Materials Management, establish uniform labour burden rates to be used across all construction contracts. b. ensure that change work is properly tracked and monitored for unit price, time and material, and lump-sum change orders, and that the payment is made after work has been properly verified. c. ensure that substantial scope changes are minimized after the contract is awarded. Where it is not possible to avoid such changes, the Client Division should be fully informed of the impact of substantial scope changes on contract costs and timelines. d. ensure that project documentation on externally managed contracts are always retained within the ECS Division. e. measure and monitor change order costs. <p>Recommendation Category: High Priority</p>
<p>Management Response</p>	
	<p>The majority of the recommendations have been implemented, and work is advancing internally to assess compliance with the new processes and procedures related to change order management. Action was taken in late 2025 to develop training. By the end of Q2 2026 all staff involved in contract management will have received the training. Engineering and Construction Services has also developed communication tools and a compliance review process to assess and support contract change management.</p> <p>Percentage Completion: 75%</p> <p>Completion Date: December 31, 2026</p>

Municipal Licensing and Standards

(27) Report Title: A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part One: Licence Issuance, Inspection and Complaint Investigation Functions, 2017

No.	Recommendation
Fully Implemented and Closed	
#1	City Council request the Executive Director, Municipal Licensing and Standards Division, in consultation with the City Solicitor, to review the By-law provisions, related enforcement framework, and the Division's Standard Operating Procedures, pertaining to unlicensed businesses with a view to strengthen the City's efforts to ensure compliance with licensing requirements.
#2	<p>City Council request the Executive Director, Municipal Licensing and Standards Division, to review and improve the effectiveness and efficiency of the existing proactive inspection process. Steps to be considered should include:</p> <ul style="list-style-type: none"> a. Develop and implement proactive inspection frequency by the type of business licences based on risks and enforcement history. b. Ensure adequate supporting documentation on proactive inspections is retained to ensure the inspections are conducted in a consistent and equitable manner to all licensees and for quality assurance monitoring purpose.
#3	<p>City Council request the Executive Director, Municipal Licensing and Standards Division, to review and enhance the timeliness and efficiency of the complaint investigation process. Steps to be considered should include but not be limited to:</p> <ul style="list-style-type: none"> a. Capture the necessary milestone dates in the licensing database to enable monitoring of performance measures. b. Establish performance measures to track and monitor the efficiency of complaints handling and investigation process. c. Develop internal processes to periodically review staff time spent by type of investigation to ensure efficient use of staff resources.
#5	City Council request the Executive Director, Municipal Licensing and Standards Division, in developing system requirements for a new case management system for business licences, to consider and incorporate the need for providing efficient and user-friendly mobile devices to officers to improve the efficiency of recording inspection and investigation results while onsite.

(28) Report Title: A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs, 2017

No.	Recommendation
Fully Implemented and Closed	
#1	City Council request the Executive Director, Municipal Licensing and Standards Division, in consultation with the City Solicitor, to review the existing definition of "entertainment establishments/nightclubs" in By-law 545 to identify the necessary changes that will strengthen the Division's inspection and enforcement efforts relating to licensed eating establishments operating as unlicensed nightclubs.
#4	City Council request the Executive Director, Municipal Licensing and Standards Division, in consultation with the City Solicitor, to review By-law 545 provisions and classifications relating to eating establishments and entertainment establishments/nightclubs to identify needs for By-law amendments.

(29) Report Title: Investigation into Allegations of Reprisal for Reporting a Conflict of Interest, 2024

No.	Recommendation
Fully Implemented and Closed	
#1	<p>City Council request the Executive Director, Municipal Licensing and Standards, in consultation with the Chief People Officer, to develop and implement a framework for Municipal Licensing and Standards staff when declaring conflicts of interest to ensure that there is a standardized process that includes:</p> <ul style="list-style-type: none"> a. conflict of interest declarations are completed in writing; b. the appropriate people are notified of the conflict so that proper controls are in place to mitigate and manage the conflict appropriately; and c. the documentation is stored in a central location.
#2	City Council request the Executive Director, Municipal Licensing and Standards, to ensure staff members have an up-to-date and clear understanding of the Divisional conflict of interest policy and procedure requirements, as well as providing periodic refresher training.