Toronto Transit Commission – 2026 Follow-up – Status of Previous Auditor General's Recommendations

May 8, 2026

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

AUDITOR GENERAL
TORONTO

Table of Contents

Executive Summary 1

Noteworthy Results 5

1. Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, 2015 5

2. Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, 2017 6

3. Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement, 2018 7

4. Toronto Transit Commission: Managing Telecommunication Contracts and Payments, 2018 7

5. Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, 2018 8

6. Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, 2019 10

7. Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, 2019 12

Conclusion 14

Exhibit 1: Toronto Transit Commission – Results of the Auditor General's 2026 Follow-up Review 15

Exhibit 2: Toronto Transit Commission – Status of Auditor General Reports with Outstanding Recommendations 21

Exhibit 3: Toronto Transit Commission – Aging of High Priority Not Fully Implemented Recommendations as of March 31, 2026 31

Exhibit 4: Auditor General Office's Follow-up Process 32

Executive Summary

Why the follow-up process matters

The Auditor General follows up on the implementation status of outstanding recommendations made through her audit and investigation reports. The purpose is to verify that Auditor General recommendations are fully implemented and that intended benefits are achieved.

The results of the follow-up review are reported to City Council through the Audit Committee. For the Toronto Transit Commission (TTC), results are first reported to its Audit, Finance and Risk Management Committee and its Board.

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

Status of 99 recommendations across 12 reports

This report includes the status of 99[1] audit recommendations from 11 audit reports and one investigation report, issued to the TTC. In **Exhibit 1**, we summarize the results of the recommendations from nine reports we reviewed in this follow-up cycle. In **Exhibit 2**, we list the reports with the 55 outstanding recommendations and four recommendations reported as fully implemented by management but not yet verified by the Auditor General.

In this follow-up cycle, we reviewed the status of 41 out of 45[2] recommendations reported by management as fully implemented or no longer applicable from the following nine reports[3]:

1. Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, 2015

2. Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, 2017

[1] The 99 recommendations consist of 40 recommendations we assessed as fully implemented or no longer applicable in this follow-up cycle (see Exhibit 1), 55 outstanding recommendations and four recommendations reported as fully implemented by management but not yet verified by the Auditor General (see Exhibit 2).
[2] Three recommendations were excluded as they require a subject matter expert review. One recommendation was excluded as management assessed it as fully implemented near the end of our follow-up fieldwork.
[3] For items #1 to #9, refer to section "**Noteworthy Results**" for details on the recommendations implemented that have a financial impact or made a significant impact to controls, safety, or other high-risk areas. Refer to Exhibit 1 for Results of the Auditor General's 2026 Follow-up Review.

3. Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note, 2017

4. Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement, 2018

5. Toronto Transit Commission: Managing Telecommunication Contracts and Payments, 2018

6. Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, 2018

7. Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, 2019

8. Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, 2019

9. Toronto Transit Commission Cybersecurity Audit - Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems, 2023 (Refer to Confidential Attachment 1 for the recommendations from this report)

41 recommendations reviewed:
38 fully implemented
2 no longer applicable
1 not fully implemented

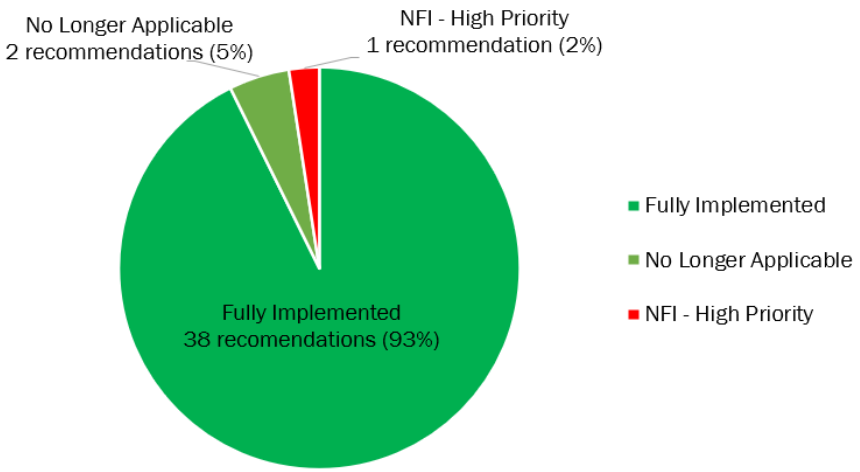
All recommendations we reviewed in this follow-up were high priority[4]. Many of the high priority ratings for recommendations were because the reports were issued over five years ago. Of the 41 recommendations we selected for review, we determined 38 are fully implemented (FI), two recommendations are no longer applicable, and one is not fully implemented (NFI)[5].

A recommendation is determined as NFI when the actions taken by management or the extent of improvements did not fully address the issue, or management was not able to provide sufficient and appropriate evidence during the follow-up review. A recommendation is determined as no longer applicable if it is no longer relevant due to changing circumstances.

The results of our follow-up review are summarized in **Figure 1**.

[4] We classify recommendations as high priority where there is a significant potential for savings, or high risks such as health and safety, or the recommendation has been outstanding for over five years.
[5] Refer to Exhibit 1 for a list of the recommendations that are assessed as fully implemented and/or no longer applicable during this follow-up review. The one recommendation assessed as not fully implemented is included in the list in Exhibit 2.

Figure 1: Auditor General's Validation of Recommendations Reported as Fully Implemented by Management



TTC has made substantial progress in many areas as detailed in the noteworthy results section of this report.

In addition, the difference between the recommendations management assessed as fully implemented but the Auditor General concluded as not fully implemented decreased from 20 per cent in our 2024 TTC follow-up report to only two per cent in this report.

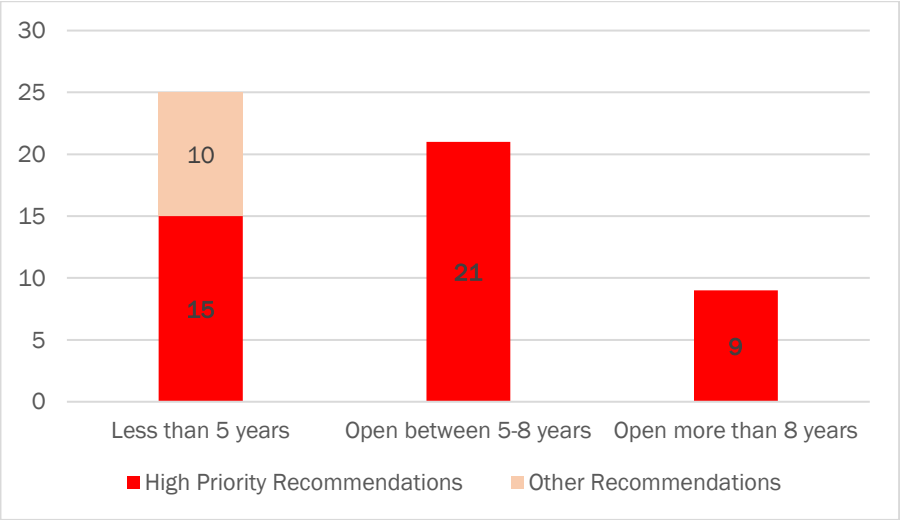
Thank you to TTC's Audit, Risk and Compliance (ARC) team for their assistance with completing work prior to management submitting recommendations as fully implemented. The Auditor General believes this pre-validation work is the main reason why this difference has been almost fully eliminated and helped make this follow-up review more efficient for both the TTC and the Auditor General's Office.

55 recommendations across 8 reports not yet fully implemented

As of March 31, 2026, out of the 156 recommendations from the eight reports[6], 55 (35 per cent) remain not fully implemented (NFI). **Figure 2** outlines how long the 55 recommendations have been outstanding.

[6] These are the reports that still have outstanding recommendations by the end of this follow-up review. Refer to Exhibit 2 for details.

Figure 2: Outstanding TTC Not Fully Implemented Audit Recommendations by Age as of March 31, 2026



Note: Recommendations that remain open for more than five years are ranked as high priority for management to expedite implementation. Reports published less than one year ago since Auditor General's cut-off date are not reflected in above figures.

Management to expedite the implementation of remaining high priority recommendations

As shown in **Figure 2**, there are a number of recommendations that are high priority and/or have been outstanding for more than five years. While TTC made substantial progress in addressing older recommendations, it is critical for management to expedite implementing the remaining recommendations to address concerns raised during the audits. In particular, the six remaining recommendations from the Auditor General's May 2017 audit report on the TTC's procurement policies and practices should be prioritized.

Refer to **Exhibit 3** for a summary of aging of high priority recommendations that are not fully implemented, organized by report.

The results from our 2026 follow-up review will be included in our consolidated report on the status of outstanding recommendations to be presented at the City's Audit Committee meeting in July 2026.

Thank you to management and staff for their assistance

We express our appreciation for the co-operation and assistance we received from TTC management and staff in implementing the Auditor General's recommendations and providing regular updates on the status of recommendations. We also thank the TTC's ARC team for their excellent work in coordinating with our team and TTC management and performing pre-validation follow-up work in this follow-up review.

Noteworthy Results

This section highlights noteworthy results from implementing recommendations in the current follow-up review. We considered results as noteworthy where there was either an actual or potential financial benefit, or the actions taken addressed a significant risk or improved controls.

1. Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, 2015

The Phase 2 Bus Maintenance report focused on management and maintenance of non-revenue fleet, and included 21 recommendations pertaining to management structure, vehicle and equipment acquisition, inventory management, rental vehicles, garage operations, and warranty administration.

The report is available at:
Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance

All recommendations from 2015 audit of TTC Bus Maintenance and Shops Department Phase 2 are now closed

Sixteen out of 21 recommendations were closed in prior years. In the current follow-up, we assessed four of the five remaining outstanding recommendations as fully implemented, and one recommendation as no longer applicable. **All recommendations from the 2015 audit of TTC's Bus Maintenance and Shops Department Phase 2 report are now closed.**

The recommendations required the TTC to enhance non-revenue fleet and equipment maintenance scheduling processes and strengthen user compliance with established schedules. They also included improving overall garage service turnaround times, as well as conducting a review to identify and reduce underutilized vehicle and equipment.

Improved operational efficiency, service delivery, and asset availability

By fully implementing these recommendations, the TTC has been able to complete a higher volume of work with existing resources, improve service delivery and asset availability, and support more informed fleet planning and procurement decisions. There are potential financial benefits from improved productivity. However, management advised that given the variability in work order complexity and labour mix, these cannot be quantified with available information.

Overall, we recognized annual recurring savings of $500,000 from improvements made as a result of implementing all the recommendations in this report, as outlined in our 2016 annual report[7].

2. Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, 2017

Audit of payment processes and accounts payable vendor management completed in 2017

In 2017, the Auditor General audited the TTC's Accounts Payable function to determine whether key controls over TTC's payment processes and vendor account management were effective. At the time of the audit, the TTC spent over $2 billion dollars annually on goods and services.

Four recommendations were previously closed

The Auditor General made nine recommendations pertaining to strengthening controls over invoice verification by user departments and the management of vendor accounts by Accounts Payable. Four of the nine recommendations were closed during prior follow-up cycles.

The report is available at:
Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management

Two recommendations fully implemented in this cycle

In the current follow-up cycle, management reported two recommendations as fully implemented. We assessed both recommendations as fully implemented. Two more recommendations remain outstanding with one recommendation yet to be verified by the Auditor General.

Processes improved to address duplicate payments and capture early payment discounts

Operational improvements observed during the current follow-up include:

- Improved processes to detect and address duplicate payments. At the time of our follow-up, all duplicate payments identified by TTC staff were investigated and resolved.

- More timely processing of vendor invoices eligible for early payment discounts. Over the past three years, TTC Accounts Payable staff achieved an average realization rate of 90 per cent of available vendor discounts. Savings related to this recommendation were recognized in our 2018 Annual Report. TTC reported **efficiency savings of $400,000** in its 2018 budget associated with early payment discounts, overpayments and duplicate payments.

[7] 2016 Annual Report - Demonstrating the Value of the Auditor General's Office

The Auditor General's 2018 Annual Report, page 22, outlines these savings:
2018 Annual Report Demonstrating the Value of the Auditor General's Office

Outstanding three recommendations require action

Management assessed one of the three remaining recommendations as fully implemented towards the end of our follow-up fieldwork, and thus this was excluded from our verification. Management must focus on implementing the two outstanding recommendations which related to policies on cheque usage and vendor master file management. Management assessed both remaining recommendations as 75 per cent complete with estimated completion dates in June and July 2026, respectively.

3. Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement, 2018

Audit of Wheel-Trans Accessible Taxi Services procurement

In 2018, the Auditor General completed a review of TTC's 2014 Wheel-Trans accessible taxi services procurement to identify lessons learned to improve procurement of future Wheel-Trans accessible taxi services. At the time of the original audit, the then 2014 Wheel-Trans accessible taxi services contracts were expiring, and the TTC was beginning planning for a new call document for services. This TTC report contained four recommendations to ensure the next procurement process had adequate planning, use of subject matter experts, and thorough review by staff.

The report is available at:
Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement

During our current follow-up review cycle, we followed up on all four recommendations that management reported as fully implemented. We determined that all four recommendations are fully implemented. **All the recommendations from this 2018 report on Wheel-Trans are now closed.**

4. Toronto Transit Commission: Managing Telecommunication Contracts and Payments, 2018

Audit of TTC's telecommunication contracts and payments

In 2018, the Auditor General audited TTC's telecommunication contracts and payments. The objective of the audit was to assess internal controls over telecommunication contracts, invoice payments and monitoring the TTC's telecommunication expenses. The audit focused on expenses incurred from 2014 to 2016.

The report is available at:
Toronto Transit Commission: Managing Telecommunication Contracts and Payments

Auditor General made 13 recommendations to improve processes and controls

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

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.**

Overall, this report resulted in significant savings and improvements in managing telecommunication contracts and related expenses at the TTC. **The overall total savings realized since 2018 exceed $7.7 million** and were reported in our previous annual reports[8].

5. Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, 2018

Audit of employee expenses and reward and recognition programs

In 2018, the Auditor General audited the TTC's employee expenses and reward and recognition programs. The objective of the audit was to assess the effectiveness and efficiency of the management of these programs in 2016 and 2017.

Auditor General made 20 recommendations to improve processes and controls

The Auditor General made 20 recommendations to strengthen employee expense policies and compliance, and to improve the effectiveness, internal controls, and efficiency of the TTC's employee rewards and recognition programs.

The report is available at:
Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs

[8] 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 the Value of the Auditor General's Office
Auditor General's 2021 Annual Report - Demonstrating the Value of the Auditor General's Office
Auditor General's 2024 Annual Report - Demonstrating the Value of the Auditor General's Office

The audit noted that the TTC had not conducted formal assessments to evaluate the effectiveness of its programs in achieving intended objectives. We found that costs for some programs were higher compared to other surveyed transit and government organizations. In addition, the audit identified opportunities to improve employee expense practices, and provide clearer guidance on allowable travel and business expenses.

Ten recommendations closed in this follow-up cycle

Two of the 20 recommendations were closed in prior years. In the current follow-up, we followed up on 10 recommendations management reported as fully implemented, and determined that they are fully implemented.

Improved controls over issuing non-employee transit passes

Clarification and compliance with the Corporate Travel Expense policy

Operational improvements observed during the current follow-up include:

- Enhancements to controls over issuing non-employee transit passes, including strengthened documentation, approval, justification, expiry date management, and clearer eligibility criteria. The active number of free non-employee contractor passes declined by over 40 per cent since the time of the original audit.
- Clarifying the Corporate Travel Expense Policy with respect to per diems, refreshments, accommodation rates, foreign exchange, petty cash, incidental expenses, and the number of attendees. Improvements to supporting documentation were also noted.
- Implementing processes to monitor pensioner lifetime transit pass usage and support reporting on related financial costs.
- Established specific general ledger codes and processes to allocate and track employee reward and recognition expenditures by department.

8 outstanding recommendations over 7 years old

Since 2018, eight Auditor General recommendations remain outstanding.

The outstanding recommendations relate to the following areas:

- Determining whether rewards and recognition programs achieve the intended objectives, and assessing their costs and benefits
- Improving controls related to safeguarding and awarding gift cards for the Zero Injury Award Program
- Streamlining information technology processes related to the Safe Worker, Safe Operator and Zero Injury Award Programs
- Reviewing and updating the employee expense policy

While management has self-assessed most of the recommendations as 75 per cent complete, the report is now over seven years old and implementation of these recommendations should be expedited.

6. Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, 2019

Recommendations focused on improving fare evasion and fare inspection

The audit of the TTC's revenue operations was conducted in two phases. Phase one focused on fare evasion and fare inspection. The report contains 27 recommendations to:

- Decrease TTC's fare evasion rates
- Increase passenger revenue, and
- Improve the effectiveness and efficiency of TTC's fare inspection program

The report is available at:
Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection

Current follow-up: 7 recommendations fully implemented; 1 not fully implemented; 12 out of 27 remain outstanding

Eight out of 27 recommendations were closed in prior years. In the current follow-up, management reported that eight additional recommendations were fully implemented. We assessed that seven of these recommendations are fully implemented and one requires further action and is not yet fully implemented. In this follow-up review we estimated a total of **$12.9 million** for 2025 in reduction of passenger revenue loss, described in further detail below. At the conclusion of this follow-up cycle, 12 recommendations from the report remain open.

Through our follow-up process, we observed TTC's ongoing commitment to enhancing the functionality of Metrolinx equipment and TTC fare gates and strengthening their fare inspection program to reduce lost passenger revenue. Notable improvements include:

- TTC implemented a fare compliance action plan in 2024 and continued it into 2025. As part of the action plan, TTC adopted several measures, including the closure of crash gates, targeted bus-to-station inspection at high-priority stations, expanded use of plainclothes officers, hiring additional fare inspectors, as well as some additional improvements noted below.

Improved Metrolinx equipment, fare gates performance, and more effective fare inspection

- Metrolinx equipment consistently met the critical service level and key performance indicators specified in the Service Level Agreements between TTC and Metrolinx.

- With regards to improving faregate functionality, TTC introduced continuous monitoring measures, including regular meetings with the vendor, tracking of software upgrades and maintenance patches.

- Empowered fare inspectors by rebranding the team as "Provincial Offences Officer" and equipping them with new uniforms, body-worn cameras, upgraded PRESTO hand-held devices, and access to the previous fare evader database.

- The off-boarding inspection process is improved by using temporary barriers to reduce walkaways and assigning sufficient staff. During our follow-up review, we visited a sample of locations and observed that the number of inspectors assigned was based on station size, traffic volume, and the layout of the offboarding area. Inspectors also made a reasonable effort to inspect most of the passengers.

As a result of management actions and progress in implementing our recommendations, management reported improved fare compliance in 2025 compared with the prior 2023 fare evasion study conducted by TTC's Audit, Risk and Compliance department. These improvements have generated a positive financial impact through reduced passenger revenue loss:

$9.5M reduction in passenger revenue loss from closing the crash gates

a) Subway

TTC achieved a **$9.5 million reduction in passenger revenue loss** on subways by closing most of its crash gates[9] at subway stations. The TTC also made significant progress in improving the collection and reliability of its fare gate data. A dashboard is used to monitor gate usage and illegal entries by gate, station, day, and time. We were able to use TTC's fare gate data provided by management to verify the reduction in passenger revenue loss.

$3.4M in net savings from improved fare compliance on streetcars through strengthened inspection efforts

b) Streetcar

In 2025, TTC Revenue Protection staff conducted a streetcar fare compliance assessment. Based on the data collected, we verified that a $5.4 million reduction in lost passenger revenue on streetcars was achieved in part through strengthened inspection efforts. There was an implementation cost of $2 million for hiring additional inspection staff, resulting in **net savings of $3.4 million**.

c) Bus

TTC has improved collection of boarding and PRESTO tap data on its buses and expanded its efforts for bus-to-stations fare inspection. It is challenging and resource intensive to conduct fare evasion studies for bus, given the high volume of routes and length of time required. There is an opportunity to calculate the fare evasion using data collected through automated passenger counts on buses. However, the TTC is still developing analytics to produce an accurate estimate of the fare evasion rate for the entire bus system, including additional scenarios such as fare evasion on a single bus ride, and transfers from bus to bus and bus to streetcar. The savings

[9] Crash gates refer to TTC's practice of leaving the large accessibility fare gate open with a TTC staff member by the fare box to observe fare payment. This practice is done in high-volume subway stations to speed up passenger flow.

calculated by the TTC in this area were specific to one scenario involving transfers from bus to subway and certain locations. The Auditor General has not recognized these savings in order to be conservative, given they are not reflective of the overall bus system. At this stage we cannot reliably verify whether fare compliance has improved on buses and its related financial impact using existing data. Once data has improved, we will re-evaluate potential savings in this area in a future follow-up cycle.

Work to improve data and analysis to support more reliable fare evasion rate estimates is ongoing

Recommendation 3 required the TTC to accurately measure and publicly report its fare evasion rate every year. We observed that TTC has undertaken significant work to strengthen its data collection. The TTC can accurately measure fare evasion rates using a combination of data analytics and field observation, particularly for streetcar and subway stations. The TTC is currently working to improve its analytic model to increase the efficiency of rate estimation, which still relies on field sampling for streetcar and bus. At this point, although TTC management reported *in-camera* to its Audit and Risk Management Committee and Board, it has not yet started annually publicly reporting its fare evasion rate by transit mode.

We will assess whether any further fare compliance savings arise in future follow-up reviews as management continues to act on our audit recommendations and expands its fare compliance activities across all modes of transit.

7. Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, 2019

Recommendations focused on improving PRESTO fare equipment functions and data

The Phase Two TTC Revenue Operations audit report focused on PRESTO/TTC fare equipment and PRESTO revenue. The audit report included 34 recommendations to help both the TTC and Metrolinx address issues with the functionality of the PRESTO fare equipment. They also aimed to improve the incident management process, the accuracy and completeness of the availability calculation of PRESTO card readers, as well as to provide the TTC with required information/data to monitor and address its risks related to completeness of PRESTO revenue.

The report is available at:
Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue

Current follow-up: 8 recommendations fully implemented; 1 no longer applicable

Twenty-four out of the 34 recommendations were closed in prior years. During the current follow-up review cycle, we assessed nine recommendations that management reported as fully implemented. We verified that eight of these recommendations are fully implemented, and one is no longer applicable.

During our current follow-up process, we noted that the TTC and Metrolinx worked together to improve the availability and reliability of PRESTO fare equipment, including taking the actions below.

Improved Metrolinx system to enhance PRESTO availability rates

- Metrolinx upgraded its systems to ensure that PRESTO device availability rate calculation includes all vehicles and devices that are in service.
- TTC and Metrolinx finalized their Service Level Agreement, which outlines agreed upon methodology for calculating revenue loss.

TTC has implemented validation procedures to verify PRESTO availability rates

- TTC implemented validation procedures to verify the availability of PRESTO fare payment devices, including reconciling any missing transactions from in-service vehicles/fare gates and offline devices.

TTC received $33.9k from Metrolinx in penalties for missed service level targets

As a result of its Service Level Agreement with Metrolinx, TTC can now assess penalties for missed service level targets on various devices. In February 2026, TTC invoiced and subsequently received $33,891 from Metrolinx in penalties for missed targets from June 2023 to December 2025.

Currently, one of the 34 recommendations is still outstanding, which relates to TTC requesting a schedule and implementation plan from Metrolinx for the remaining contracted deliverables of TTC. TTC management advised us that work is underway, together with Metrolinx, to address this outstanding recommendation.

Conclusion

We will continue to verify recommendations reported by management as fully implemented, focusing on selected reports with high-priority recommendations using our available resources, and will report our results in future follow-up reports.

While management continues to make progress in implementing recommendations, the Auditor General has not yet verified all recommendations reported by management as fully implemented. However, this does not slow or impact management's ability to continue to make further progress on addressing outstanding recommendations and to take appropriate action to address risks and achieve intended savings and efficiencies.

We would like to express our appreciation for the co-operation and assistance we received from management and staff at the Toronto Transit Commission, and particularly the Audit, Risk and Compliance team.

Exhibit 1: Toronto Transit Commission – Results of the Auditor General's 2026 Follow-up Review

#	Auditor General Reports & Recommendations In Scope	In Scope Recommendations	Auditor General Assessment: Fully Implemented	Auditor General Assessment: No Longer Applicable	Auditor General Assessment: Not Fully Implemented
1	Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance (2015)[10]	5	4	1	
2	Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management (2017)	2	2		
3	Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note (2017) (Investigation Report)[10]	1[11]	1		
4	Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement (2018)[10]	4	4		
5	Toronto Transit Commission: Managing Telecommunication Contracts and Payments (2018)[10]	1	1		
6	Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs (2018)	10	10		
7	Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection (2019)	8	7		1
8	Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue (2019)	9	8	1	
9	Toronto Transit Commission Cybersecurity Audit - Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2023) (see CONF ATT1)	1	1		
	Total	41	38	2	1

[10] These four reports have all recommendations addressed to TTC closed by the end of this follow-up cycle.
[11] This does not include one recommendation directed to the City Clerk and City Manager. The Auditor General has verified TTC's implementation of this recommendation and has moved the recommendation to the City Manager's Office to exclude it from the TTC's statistics above.

LIST OF THE RECOMMENDATIONS THAT WERE CLOSED[12] DURING THE 2026 FOLLOW-UP PROCESS[13]

Report Title: Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, 2015

No.	Recommendation
Fully Implemented	
#4	The Board request the Chief Executive Officer to conduct detailed reviews of utilization levels of non-revenue vehicles and equipment to identify and minimize underutilized vehicles and equipment.
#13	The Board request the Chief Executive Officer to take steps to improve non-revenue vehicle user compliance with scheduled maintenance, including steps to address user concerns.
#15	The Board request the Chief Executive Officer to improve the effectiveness of the Vehicle Work Order system for non-revenue fleet management. Steps to be taken should include but not be limited to: a. Addressing existing preventive maintenance scheduling issues in the system; b. Ensuring adequate system access is provided to garage management staff; c. Re-assessing the practicality of existing data entry controls; d. Ensuring accuracy of system generated management reports; and e. Expanding the existing system reports to include reports on fleet management key performance indicators.
#18	The Board request the Chief Executive Officer to take steps to shorten garage service turnaround time for non-revenue fleet by addressing issues pertaining to garage capacity, availability of technicians, parts availability and maintenance scheduling.
Not Applicable	
#14	The Board request the Chief Executive Officer to ensure accurate and up-to-date non-revenue vehicle kilometrage data are obtained to facilitate effective preventive maintenance scheduling.

Report Title: Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, 2017

No.	Recommendation
Fully Implemented	
#5	The Board request the Chief Executive Officer, Toronto Transit Commission, to review the current payment process and identify opportunities to further reduce the number of late payments and to take advantage of early payment discounts.

[12] Recommendations are considered closed when they are assessed as fully implemented or not applicable.
[13] Refer to Confidential Attachment 1 for the recommendations from the audit report "*Toronto Transit Commission Cybersecurity Audit - Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems*".

#9	The Board request the Chief Executive Officer, Toronto Transit Commission, to identify opportunities to further improve the efficiency of the duplicate payment identification and verification process.

Report Title: Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note, 2017

No.	Recommendation
Fully Implemented	
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure its briefing note distribution protocols align with and integrate seamlessly with the City distribution protocols.

Report Title: Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement, 2018

No.	Recommendation
Fully Implemented	
#1	The Board request the Chief Executive Officer, Toronto Transit Commission, to review the necessity and the risks associated with stipulating a minimum driver rate in the upcoming accessible taxi services procurement. Financial, operational, legal and procurement risks should be considered, in consultation with legal and procurement experts.
#2	The Board request the Chief Executive Officer, Toronto Transit Commission, in the event that a minimum driver rate is included in the upcoming accessible taxi services procurement, to ensure that the appropriate financial staff assess the accuracy, completeness, and reasonableness of the financial estimate of driver income.
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that draft call document for accessible taxi services, and other Wheel-Trans contracted services, is sufficiently and thoroughly reviewed to minimize the need for addendums and changes.
#4	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that the appropriate subject matter experts, including finance and risk management staff, are involved at the planning stage of the upcoming accessible taxi services procurement process and the final review of the call document.

Report Title: Toronto Transit Commission: Managing Telecommunication Contracts and Payments, 2018

No.	Recommendation
Fully Implemented	
#13	The Board request the Chief Executive Officer, Toronto Transit Commission, to implement policies and procedures relating to:

	a. Enrollment of devices on wireless device management application. b. Requiring timely return of existing wireless devices when new devices are issued. c. Tracking of returned devices, ensuring timely deletion of corporate data on returned devices and maintaining records of data deletion.

Report Title: Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, 2018

No.	Recommendation
Fully Implemented	
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to establish a specific purchase code for expenses related to employee rewards and recognition incurred by departments.
#4	The Board request the Chief Executive Officer to develop reports and monitor the cost by department of the employee reward and recognition programs and ensure that funds are fairly distributed and used across the various departments.
#10	The Board request the Chief Executive Officer, Toronto Transit Commission, to use available Presto reports to track and monitor the usage of pensioners' lifetime passes to measure the cost to the organization and mitigate the risk of potential abuse.
#11	The Board request the Chief Executive Officer, Toronto Transit Commission, to consider whether to reinstate a minimum number of years of service for pensioners over 60 years old, to ensure the lifetime pass is awarded to recognize length of service. Any potential modifications would need to be part of future negotiations with the unions.
#12	The Board request the Chief Executive Officer, Toronto Transit Commission, to review the criteria and current process for issuing free annual passes to non-TTC staff to ensure valid justification and adequate controls, and to minimize lost revenue opportunities.
#16	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop guidelines for business trips, improving clarification on allowable expenses and number of attendees/trips per year.
#17	The Board request the Chief Executive Officer, Toronto Transit Commission, to provide additional clarification in the following policies pertaining to: a. Petty cash policy – refreshments, replenishment guidance, investigative expenses restrictions. b. Corporate travel policy – meal per diems, sundry/incidental charges, extended stays, accommodation rates, foreign exchange rate.
#18	The Board request the Chief Executive Officer, Toronto Transit Commission, to update the training approval form to include required sign-off for available budget, prior to the training expense being approved.
#19	The Board request the Chief Executive Officer, Toronto Transit Commission, to consider options to reduce accommodation rates for TTC staff on business travel.

#20	The Board request the Chief Executive Officer, Toronto Transit Commission, to explore the opportunity to share services for internal training with the City of Toronto for non-transit specific courses.

Report Title: Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, 2019

No.	Recommendation
Fully Implemented	
#10	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure the contracted service requirements are upheld regarding functionality of Metrolinx Single Ride Vending Machines and PRESTO Card Readers, and recover from Metrolinx lost passenger revenue.
#11	The Board request the Chief Executive Officer, Toronto Transit Commission, to review current TTC fare gate functionality issues, and develop and implement short and long-term strategies to improve fare gate functionality to reduce revenue loss.
#17	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure adequate controls are in place and consistently applied in the issuance of Child PRESTO cards by Distributors.
#21	The Board request the Chief Executive Officer, Toronto Transit Commission, to review the level of authority, tools and uniform provided to Transit Fare Inspectors to ensure they can carry out their duties in a safe and effective manner.
#22	The Board request the Chief Executive Officer, Toronto Transit Commission, to take steps to improve the speed, reliability, and functionality of PRESTO hand-held devices for fare inspections. Such steps should include, but not be limited to: a. Improving tracking and reporting of the functionality and repairs of the hand-held devices; b. Finalizing the Service Level Agreement with Metrolinx, which should specify a level of speed and functionality for the hand-held devices that meets Toronto Transit Commission's business requirements; and c. Holding Metrolinx accountable for its contracted service requirements on the speed, reliability and functionality of the hand-held devices supplied to the Toronto Transit Commission.
#23	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve the effectiveness of the off-boarding inspection process to minimize the number of passengers walking away from fare inspection, including measures such as installation of temporary or permanent physical barriers where feasible, and assigning a sufficient number of Transit Fare Inspectors and Transit Enforcement Officers for the off-boarding inspection.
#24	The Board request the Chief Executive Officer, Toronto Transit Commission, to provide Transit Fare Inspectors with efficient access to the previous fare evader database during inspections.

Report Title: Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, 2019

No.	Recommendation
Fully Implemented	
#2	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to determine the best method to capture complete and accurate information on in-service vehicles for the PRESTO card reader availability calculation, including assessing TTC's Vision system for this purpose.
#4	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to: a. ensure missed devices in the device monitoring software tool are identified by PRESTO and communicated to TTC; b. determine and address the underlying issue for missed devices in the device monitoring software tool; and c. obtain back-up for the weekly card reader availability rate calculations.
#7	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to restore the contracted deliverable of the credit and debit card fare payment method on the new streetcars, with estimated timing provided by Metrolinx.
#20	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to agree upon and finalize the Service Level Agreement, and to utilize an Expert Panel as outlined in the Operational Services Agreement if needed.
#21	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to obtain the required information to refine their estimate of revenue loss due to malfunctioning PRESTO fare equipment.
#22	The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to come to an agreement on a methodology for the revenue loss claim acceptable to both parties and leverage its contractual governance framework of the Expert Panel if needed.
#31	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that there are transactions reported from all in-service vehicles and fare gates by doing a reconciliation against transactions received from PRESTO's central system.
#32	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve controls that verify whether there were transactions reported from offline devices when they reconnect back to the network.
Not Applicable	
#25	The Board request the Chief Executive Officer, Toronto Transit Commission, to consider refining its fare gate availability calculation methodology to better account for partially available fare gates.

Exhibit 2: Toronto Transit Commission – Status of Auditor General Reports[14,15] with Outstanding Recommendations

Auditor General Reports	Audit Report Recommendations	Closed Recommendations	Management reported as Fully Implemented, not yet verified by AG	Not Fully Implemented
Reports Reviewed in the 2026 Follow-up Process				
Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management (2017)	9	6	1	2
Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs (2018)	20	12	0	8
Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection (2019)	27	15	0	12
Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue (2019)	34	33	0	1
Toronto Transit Commission Cybersecurity Audit - Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2023) (see CONF ATT1)	9	1	3[16]	5
Reports Not Reviewed in the 2026 Follow-up Process				
Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration (2014)	18	17	0	1
Review of Toronto Transit Commission Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings (2017)	19	13	0	6
Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays (2023)	20	0	0[17]	20
Total	**156**	**97**	**4**	**55**

[14] This Exhibit excludes one audit report completed in 2025 as we give management one year to work on implementing our recommendations prior to starting our follow-up: Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management. This report contains seven recommendations and four management letter points. After the end of our fieldwork, management assessed one recommendation and one management letter point as fully implemented, to be verified by the Auditor General's Office.

[15] Exhibit 2 excludes the four reports where all recommendations addressed to TTC were closed by the end of the follow-up review: Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, Review of Complaint Regarding the June 29, 2016 Toronto Transit Commission Briefing Note, Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement and Toronto Transit Commission: Managing Telecommunication Contracts and Payments.

[16] These recommendations were excluded as they require a subject matter expert review and will be included in a future follow-up cycle.

[17] Management assessed one recommendation as fully implemented after we completed our fieldwork, which has not been reflected in these figures.

LIST OF THE OUTSTANDING RECOMMENDATIONS[18] BY END OF THE 2026 FOLLOW-UP PROCESS

Report Title: Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, 2017

No.	Recommendation
Reported as Fully Implemented by TTC Management Not Yet Verified by Auditor General's Office	
#2	The Board request the Chief Executive Officer, Toronto Transit Commission, to enhance the existing invoice verification processes to provide reasonable assurance that invoices are paid according to the contract terms and prices. Consideration should be given to: a. Provide guidelines and training to user department approvers on the importance of invoice verification and the specific information that should be reviewed prior to invoice approval. b. Incorporate monitoring measures to verify, at least on a sample basis, that the approved invoices by user departments have been adequately reviewed to be consistent with contract terms and prices. **(High Priority)[19]**
Reported as Not Fully Implemented by TTC Management	
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to maintain a reasonably accurate and complete Vendor Master File to minimize the risk of duplicate or incorrect payments to vendors. Steps to be undertaken should include, but not be limited to: a. Conduct a one-time comprehensive review of vendor accounts to purge the large number of duplicate and inactive accounts. b. Implement adequate system functionalities to enable staff to update vendor account records in the system. c. Periodically review the vendor account records to ensure the required information is obtained and accurately entered into the system. d. Ensure staff responsible for creating vendor accounts or maintaining the Vendor Master File are provided with an updated and comprehensive procedure manual outlining the key information requirements and processes. **(High Priority)**
#6	The Board request the Chief Executive Officer, Toronto Transit Commission, to review and enhance current cheque request policies to ensure adequate use of cheque requests by staff. Steps should be taken, but not be limited, to: a. Clearly define the items that can be procured using cheque requests.

[18] Recommendations are considered outstanding when they are assessed as not fully implemented during Auditor General's 2026 Follow-up Review, reported as not fully implemented by TTC management, and/or reported as fully implemented by TTC management but have not been verified by the Auditor General's Office.
[19] We classify recommendations as high priority where there is a significant potential for savings, or high risks such as health and safety, or if the recommendation has been outstanding for over five years.

	b. Regularly review and identify repeated cheque request purchases that should have been procured using Purchase Orders or Blanket Contracts. c. Clarify the monitoring measures and responsible departments in the policy. (High Priority)

Report Title: Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, 2018

No.	Recommendation
Reported as Not Fully Implemented by TTC Management	
#1	The Board request the Chief Executive Officer, Toronto Transit Commission, to evaluate its employee reward and recognition programs to determine if they are achieving intended goals and modify the programs where needed. (High Priority)
#2	The Board request the Chief Executive Officer, Toronto Transit Commission, to evaluate the costs vs. benefits of its employee reward and recognition programs and consider potential non-monetary recognition strategies as well as whether costs can be reduced. (High Priority)
#5	The Board request the Chief Executive Officer, Toronto Transit Commission, to put in place adequate processes and controls to track and reconcile all gift cards for the Zero Injury Award program. Such controls should include steps to ensure only a minimal number of gift cards is kept in inventory and that they are kept locked at all times with adequate access controls. (High Priority)
#6	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve controls and efficiency in the Zero Injury program to ensure that: a. Award presentations are occurring within two months of plateau levels being reached in order for eligible employees to receive awards. b. Attendance sheet is provided on a timely basis. c. Any excess owing for refreshment funds and gift cards is calculated, provided and accounted for. (High Priority)
#7	The Board request the Chief Executive Officer, Toronto Transit Commission, to review the cost centres currently eligible for the Zero Injury program to ensure they meet the intent of the safety award program. (High Priority)
#9	The Board request the Chief Executive Officer, Toronto Transit Commission, to seek ways to streamline the IT processes for the safe worker, safe operator and zero injury award programs. (High Priority)
#13	The Board request the Chief Executive Officer, Toronto Transit Commission, to: a. continue to strengthen controls and internal reviews regarding allowable employee expenses for business purposes.

	b. update policies to ensure they clarify what employee expenses are acceptable for business purposes and those that are not, and communicate the policy requirements to employees. **(High Priority)**
#14	The Board request the Chief Executive Officer, Toronto Transit Commission, to undertake steps to improve compliance with employee expense policy requirements regarding: a. the level of supporting documentation needed and importance of retaining the documents in an organized manner. b. timely approval and submission of claims. c. appropriate level of signing authority. d. requirement for evaluations to be completed for external training. **(High Priority)**

Report Title: Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, 2019

No.	Recommendation
Assessed as Not Fully Implemented During 2026 Follow-up Process	
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to: a. Accurately measure and publicly report on the fare evasion rate every year; and b. Reports from Internal Audit on fare evasion study should be made public. **(High Priority)**
Reported as Not Fully Implemented by TTC Management	
#1	The Board request the Chief Executive Officer, Toronto Transit Commission, to set acceptable targets for its fare evasion rates (by mode and overall) and to develop short and long-term strategies to reduce the fare evasion rates and the resulting revenue loss, while ensuring good customer service. **(High priority)**
#4	The Board request the Chief Executive Officer, Toronto Transit Commission, to further improve the fare inspection program by ensuring: a. Adequate training to Fare Inspectors on data collection and why this work is important to Toronto Transit Commission; b. Development of realistic and clear performance expectations; and c. Implementation of ongoing monitoring of staff performance and regular review of inspection data. **(High Priority)**
#5	The Board request the Chief Executive Officer, Toronto Transit Commission, to explore system wide options that can help prevent and reduce fare evasion on streetcars with multiple doors and Proof-of-Payment policy. **(High Priority)**
#6	The Board request the Chief Executive Officer, Toronto Transit Commission, to expand its fare inspection program to include buses and develop effective fare inspection methods for buses. **(High Priority)**

#7	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that bus operators and streetcar operators are instructed and trained to press the fare dispute key whenever the appropriate fare is not paid. Data from the fare dispute keys should be routinely analyzed and used to aid in the strategic allocation of fare enforcement resources. **(High Priority)**
#8	The Board request the Chief Executive Officer, Toronto Transit Commission, to expand its fare inspection program to include coverage of subway station entrances. **(High Priority)**
#9	The Board request the Chief Executive Officer, Toronto Transit Commission, to take the necessary actions to reduce the number of illegal entries, particularly at automatic subway entrances, including: a. Perform a cost-benefit analysis of continuing to keep the automatic entrances open, whether to install high gates in high-risk entrances at subway stations, and whether to station Toronto Transit Commission staff at some of these entrances; b. Complete work on the fare gate sensors and fare gate event data reporting, so that information can be used to determine the rate of illegal entries at subway stations and to strategically allocate fare inspection resources; and c. Ensure security camera video is monitored on a regular basis. **(High Priority)**
#20	The Board request the Chief Executive Officer, Toronto Transit Commission, to conduct a cost-benefit analysis of Transit Fare Inspectors vs. Transit Enforcement Officers with a view to improving the effectiveness and efficiency of the fare inspection program. **(High priority)**
#25	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve the effectiveness and consistency of the scheduling practices of its fare inspection program to: a. Ensure the route and timing coverage is risk-based and strategic; and b. Increase the use of plain clothed Transit Fare Inspectors as it enables a more accurate assessment of fare evasion rates and a more effective inspection program. **(High Priority)**
#26	The Board request the Chief Executive Officer, Toronto Transit Commission, to explore ways to increase actual inspection time by Transit Fare Inspectors including: a. Automating the manual ticketing process and the recording and reporting of fare inspection results; b. Assessing the feasibility of establishing an internal fare evasion ticket appeal process, similar to Metrolinx (GO Transit); and c. Exploring ways to reduce travel time by Transit Fare Inspectors between their reporting and lunch locations and assigned routes. **(High Priority)**
#27	The Board request the Chief Executive Officer, Toronto Transit Commission, to finalize updating the TTC By-law No.1 and enhance the Fare Inspection Policies and Procedures manual to ensure they are up to date and include sufficient details to facilitate consistent fare inspections. **(High Priority)**

Report Title: Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, 2019

No.	Recommendation
Reported as Not Fully Implemented by TTC Management	
#18	The Board request the Chief Executive Officer, Toronto Transit Commission, to request a schedule and plan from Metrolinx for the remaining contracted deliverables of TTC. (High Priority)

Report Title: Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration, 2014

No.	Recommendation
Reported as Not Fully Implemented by TTC Management	
#8	The Board request the Chief Executive Officer to establish standard repair times for common bus repairs, develop procedures to monitor efficiency of bus repair activities, and incorporate the standard repair times into part of technician performance evaluation. (High Priority)

Report Title: Review of Toronto Transit Commission Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings, 2017

No.	Recommendation
Reported as Not Fully Implemented by TTC Management	
#7	The Board request the Chief Executive Officer, Toronto Transit Commission, to identify strategies to improve response rate for competitive procurement and such strategies to include but not be limited to: a. providing free viewing of tender documents or detailed notices of tenders; b. extending bid response time for complex specifications; c. Identifying alternate sources of supply and revise its current minimum quotes requirement to invite five or more suppliers where low bid response rates are evident. (High Priority)
#12	The Board request the Chief Executive Officer, Toronto Transit Commission, to establish a comprehensive Blanket Contract policy and procedural requirements detailing minimum dollar threshold and ongoing review and renewal processes. (High Priority)
#13	The Board request the Chief Executive Officer, Toronto Transit Commission (TTC), to reduce annual purchase costs where feasible by establishing Blanket Contracts or expanding existing price agreements with vendors of concentrated spending and repetitive purchases. Periodic analysis of TTC's overall purchase activities to identify Blanket Contract opportunities should also be undertaken. (High Priority)

#14	The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that all procurement policies, procedures, and forms are up to date and that staff have a single-point electronic access to procurement policies, procedures and forms. **(High Priority)**
#15	The Board request the Chief Executive Officer, Toronto Transit Commission (TTC), to regularly report to the Board on TTC's procurement statistics and performance indicators. **(High Priority)**
#19	The Board request the Chief Executive Officer, Toronto Transit Commission, to report to the Board on an annual basis on savings achieved as a result of implementing the recommendations from this report, including information regarding: - identifying alternate sourcing, - pursuing aftermarket parts warranty, - initiating further Blanket Contracts or expanding the product catalogue of existing Blanket Contracts, - retrieving and tracking cores. **(High Priority)**

Report Title: Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays, 2023

No.	Recommendation
Reported as Not Fully Implemented by TTC Management	
#1	The Board request the Chief Executive Officer, Toronto Transit Commission, to support continuous improvement and increase streetcar service reliability by: a. Reassessing and strengthening existing policies and procedures in Streetcar Overhead Operations to provide more criteria and clarity on the nature and extent of the root cause analysis and investigation required for service delays; b. Determining the root causes for those delays that require investigation according to the policy, in order to prevent the same issues from recurring; and c. Developing and implementing a process in Streetcar Overhead Operations to ensure compliance with the policies and procedures regarding root cause analyses and investigations of service delays. **(High Priority)**
#2	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve communication and information sharing across relevant streetcar and other departments, in order to support continuous improvements and reduce the number of fail-to-operate switch emergency calls. Information collection and sharing across these departments should include: a. Collecting and tracking appropriate and relevant data regarding fail-to-operate switch emergency calls, including but not limited to switch IDs, number of calls, and their results; and b. Using the data collected to perform root cause analyses and investigations with the goal of reducing the number of fail-to-operate switch emergency calls.
#3	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and use a centralized database of Overhead Operations' assets across departments (Streetcar Infrastructure, Transit Control, Streetcar Transportation) to ensure Streetcar Overhead Operations is using an accurate and complete asset database, including a centralized

	switch inventory, to inform their operational decision-making and optimize their resource allocation.
#4	The Board request the Chief Executive Officer, Toronto Transit Commission, to implement policies and procedures in Streetcar Overhead Operations, including oversight and monitoring policies and procedures, to ensure the assets in the Maintenance Schedule are always accurate and complete, and that any required asset changes, additions, and/or removals are made to the Maintenance Schedule on a timely basis. **(High priority)**
#5	The Board request the Chief Executive Officer, Toronto Transit Commission, to implement policies and procedures in Streetcar Overhead Operations to ensure all completed work orders are recorded on the Maintenance Schedule, in order to plan, manage, and schedule preventative inspections in an efficient manner that optimizes the use of time and resources.
#6	The Board request the Chief Executive Officer, Toronto Transit Commission, to review, update, and approve all maintenance and inspection policies, procedures, and manuals in Streetcar Overhead Operations to ensure they are accurate, complete, and relevant, and provide training to staff on them. **(High Priority)**
#7	The Board request the Chief Executive Officer, Toronto Transit Commission, to: a. Review and update the annual preventative inspection targets in Streetcar Overhead Operations on both an annual and as-needed basis; and b. Establish policies and procedures to provide clear guidance in Streetcar Overhead Operations on which source data and information is needed for the reassessment.
#8	The Board request the Chief Executive Officer, Toronto Transit Commission, to establish and implement standard time expectations for common preventative inspections in Streetcar Overhead Operations and incorporate them into the employee performance evaluation.
#9	The Board request the Chief Executive Officer, Toronto Transit Commission, to install and enable GPS on Streetcar Overhead Operations' non-revenue vehicles to effectively monitor and assess performance.
#10	The Board request the Chief Executive Officer, Toronto Transit Commission, to: a. Ensure policies, procedures and manuals in Streetcar Overhead Operations provide clear directions as to how preventative inspections' activity tasks, results, and observations should be performed (including the measurement method) and documented; and b. Develop and implement an oversight process in Streetcar Overhead Operations (e.g., quality assurance audit program, spot checks, increased supervision) to ensure the accuracy, completeness, and reliability of the documented work orders and consistency of the work performed. **(High Priority)**
#11	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement formalized processes in Streetcar Overhead Operations to:

	a. Ensure preventative inspections comply with annual inspection targets; and b. Ensure preventative inspections are scheduled and completed in accordance with Overhead Operations' specified time intervals. **(High Priority)**
#12	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement policies and procedures in Streetcar Overhead Operations to: a. Provide clear expectations and training as to how crews should communicate and document preventative inspections that are only partially completed; and b. Track and ensure partially completed inspections are appropriately rescheduled to be fully completed. **(High Priority)**
#13	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement policies and procedures for Streetcar Overhead Operations' preventative and corrective maintenance program, which includes but is not limited to providing: a. A set of criteria for each asset type to determine if corrective maintenance and repair work orders need to be generated, based on risks and implications; b. Clear timing expectations for reviewing completed preventative inspections and generating any necessary corrective maintenance work orders; and c. Clear criteria and timing expectations for the prioritization and completion of corrective maintenance work orders, based on risks and implications. **(High Priority)**
#14	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement in Streetcar Overhead Operations: a. Standard Operating Procedures that outline the steps to be taken to ensure the measuring tools used by crews during inspections (e.g., calipers) are in good working order; and b. An oversight process to monitor and ensure compliance with the Standard Operating Procedures.
#15	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop a comprehensive Maximo implementation plan to ensure Maximo is implemented as both an enterprise asset management system and workflow process management system for Streetcar Overhead Operations. This implementation plan should include, but not be limited to: a. Detailed implementation target dates and timelines; and b. Implementation of Maximo Anywhere to all crews, not just emergency crews. **(High Priority)**
#16	The Board request the Chief Executive Officer, Toronto Transit Commission, to provide appropriate Maximo training to responsible frontline crews/technicians/staff and management in order to fully leverage existing Maximo technology for Streetcar Overhead Operations. **(High Priority)**

#17	The Board request the Chief Executive Officer, Toronto Transit Commission, to review and update Streetcar Overhead Operations' asset inventory and job plans/activity tasks in Maximo to ensure they are complete, accurate, and up-to-date, in order to support the planning and completion of repair and maintenance work. **(High Priority)**
#18	The Board request the Chief Executive Officer, Toronto Transit Commission, to develop and implement a process in Streetcar Overhead Operations using Maximo to track the real-time status of work orders to support ongoing work order management and supervision.
#19	The Board request the Chief Executive Officer, Toronto Transit Commission, to leverage Maximo to collect and track observations from Streetcar Overhead Operations' assets inspections, and information about maintenance and repairs activities, that can be used for data mining and trend analysis to support Key Performance Indicator reporting and inform decision-making.
#20	The Board request the Chief Executive Officer, Toronto Transit Commission, to improve the Key Performance Indicator reporting for Streetcar Overhead Operations by: a. Establishing clearly defined, appropriate, outcome-focused Key Performance Indicators and targets; b. Developing short- and long-term strategies to meet these targets; c. Regularly reassessing to determine whether Key Performance Indicators and targets need to be revised; and d. Retaining supporting data and verifying the accuracy of data used for Key Performance Indicator reporting, ongoing oversight, and management decision-making.

Exhibit 3: Toronto Transit Commission – Aging of High Priority Not Fully Implemented Recommendations[20] as of March 31, 2026[21]

Report Titles	Less than 5 Years	Between 5-8 Years	More than 8 Years
Review of Toronto Transit Commission Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration, January 2014			1
Review of Toronto Transit Commission Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings, May 2017			6
Review of Toronto Transit Commission Accounts Payable Functions: Improving Invoice Verification and Vendor Account Management, September 2017			2
Review of Toronto Transit Commission Employee Expenses and Reward and Recognition Programs: Opportunities to Improve Policies and Controls and Save Costs, June 2018		8	
Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection, February 2019		12	
Review of Toronto Transit Commission's Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue, October 2019		1	
Toronto Transit Commission Cybersecurity Audit - Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems, November 2023 (see CONF ATT1)	5		
Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays, November 2023	10[22]		
Total	**15**	**21**	**9**

[20] Recommendations are considered not fully implemented when they are assessed as not fully implemented during the Auditor General's 2026 Follow-up Review and/or reported as not fully implemented by TTC management. This excludes the four recommendations assessed by management as fully implemented but not yet verified by the Auditor General. Refer to Exhibit 2 for the specific recommendations.

[21] This Exhibit excludes one audit report completed in 2025 as we give management one year to work on implementing our recommendations prior to starting our follow-up: Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management. This report contains seven recommendations and four management letter points. After the end of our fieldwork, management assessed one recommendation and one management letter point as fully implemented, which have yet to be verified by the Auditor General.

[22] This excludes 10 outstanding recommendations which are not considered high priority. Refer to Exhibit 2 for the specific recommendations.

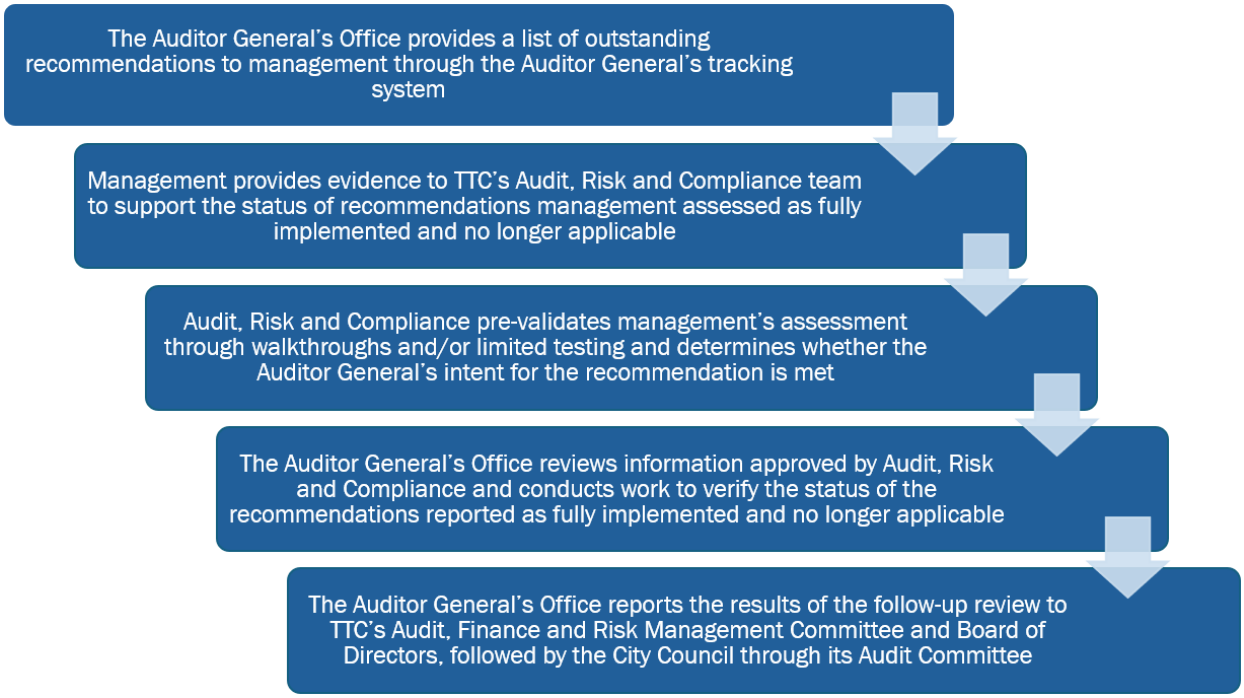
Exhibit 4: Auditor General Office's Follow-up Process

Overview of the Auditor General's follow-up process

Our follow-up process as summarized in **Figure 3** below, requires management to review the outstanding recommendations and provide information on their implementation status.

Where management continues to take actions to address recommendations and reports the recommendation as not yet fully implemented, we do not generally conduct follow-up work until it is reported by management as fully implemented.

Figure 3: Key Steps in the Recommendation Follow-up Process



For recommendations that management reports as fully implemented or no longer applicable, management is required to provide an explanation as well as sufficient and appropriate supporting documentation. The Auditor General's Office conducts work to verify the status of these recommendations.

We classify recommendations as high priority where there is a significant potential for savings, high risks such as health and safety, or the recommendation has been outstanding for over five years. Management should expedite the implementation of these recommendations. Looking ahead, we will continue to focus on reports with high priority recommendations.

In each follow-up report, the Auditor General highlights noteworthy recommendations, such as those that have resulted in financial or non-financial benefits after implementation.

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

AUDITOR
GENERAL

TORONTO