

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: July 14, 2009

SUBJECT: INTERNAL AUDIT REPORT – STREETCAR CARHOUSES/
TECHNICAL SERVICES

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Audit Committee receive for information the attached Internal Audit Report.

BACKGROUND

Internal Audit provides the Commission with independent evaluations of the efficiency and effectiveness of control systems, and operations. Internal Audit is also required to provide recommendations for improvement.

Richard G. Beecroft
Chief Auditor

July 14, 2009
01-23

Attachment - Internal Audit Report

TORONTO TRANSIT COMMISSION

TO R. Beecroft
FROM J. Kennelly
DATE March 6, 2009
SUBJECT Streetcar Carhouses and Streetcar Technical Services – Summary of Audit Issues

The Survey Report for the Streetcar Carhouses and Streetcar Technical Services areas in the Rail Cars and Shops Department is now completed. The results of the risk assessment indicated that the areas are well managed, and there are no significant control weaknesses to report. Therefore, we have concluded our audit work at the end of the Survey Report phase. However, Audit has identified the following opportunities where further improvements can be made:

Documentation of Maintenance Work Performed

- Evidence of Foreman's approval for defect repairs is not always documented, and work orders are not always closed in the SMS after the work has been completed.
- A review of the One/Two Month Inspection reports showed that "Safety/Service Critical" procedures are not always marked or initialled as completed by the Vehicle Repair Persons.
- Except for the daily Sweep and Dust Check Sheet used in Roncesvalles, documentation is lacking to indicate that quality assurance checks are completed, as required.

Daily Pre-Service Inspections

- A Daily Pre-Service inspection is required on all streetcars prior to entering revenue service. Audit's random testing of 14 vehicles showed that at least one daily pre-service inspection was not performed on 6 of the vehicles in the test period, and one streetcar had received 2 daily inspections from different checkers.

Streetcar Problem Resolution Reports

- Management should strive for improved timeliness in resolving problem reports. At the date of the Audit, there were 211 open Streetcar Problem Reports, of which 32% were 5 or more years old (with the oldest dating back to November 1996).

Standard Operating Procedures (SOPs)

- The Document Control SOP states that SOPs are to be reviewed every 2 years after the SOP creation date or date of the last review; however, not all SOPs have evidence of review and updating. Management should determine that the 2-year time frame meets operational requirements and ensure that reviews are performed as required.

Hazard and Risk Assessment Analysis

- Unauthorized persons can gain access to the Carhouses through the parking and yard areas since there are no barriers. The safety risks resulting from unauthorized physical access to the Streetcar Carhouse properties by non-TTC persons have been previously reported. In line with the TTC's safety culture initiatives, Management should ensure due care and vigilance in preventing unauthorized access by non-TTC persons.

Records Management

- Each Carhouse is responsible for storing their documents and records. The current method of storing records does not adequately protect them from loss. Management should ensure records are adequately protected from loss, and retained in accordance with Schedule "A" of the City of Toronto Record Retention By-law No. 867-1998.

Tool and Equipment Asset Control

- Due to a lack of a comprehensive listing of tools for calibration requirements, there is no assurance that Carhouse tools are calibrated, as required. Management should ensure that all tools are calibrated, as required.

We would like to thank the management and staff of the Streetcar Carhouses and Streetcar Technical Services areas for all the assistance and cooperation provided to us during our audit review.