

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: April 13, 2010

SUBJECT: INTERNAL AUDIT CAPITAL REPORT – VICTORIA PARK BUS
TERMINAL REPLACEMENT

INFORMATION ITEM

RECOMMENDATION

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

April 13, 2010
01-23

Attachment – Internal Audit Capital Report

TORONTO TRANSIT COMMISSION

TO Dick Beecroft

FROM Christine Leach

DATE November 25, 2009

SUBJECT Internal Audit – Victoria Park Bus Terminal Replacement Capital Project

Summary

An audit of the Victoria Park Bus Terminal Replacement capital project has been conducted. Audit work performed indicates adequate documentation has been maintained to support construction costs and design consultant charges.

Background

The bus facility at Victoria Park station is in a state of disrepair. Major repair or replacement of the bus terminal deck was planned in 2006-2008 under the Structural Paving Rehabilitation project at an estimated cost to repair of approximately \$11M. However, since the existing station was a slotted bay design, and could not effectively be made accessible to persons with disabilities, the decision was made to design a new bus terminal configuration that ensured barrier free access. Management has reported that sufficient funds are included in the Easier Access Phase III project to address accessibility related items.

This project is currently estimated to be completed in 2011 at a total cost of \$36.0M. The total actual costs for this project as at the end of September 2009 are \$15.8M, comprised of the following:

Expenditures:	(\$ Million)
TTC Labour, Fringes & Overhead	\$1.2M
TTC Non-Labour Expenditures	14.6M
Total	\$15.8M

Audit Observations

Audit staff reviewed budget documentation, financial records, contract documents and correspondence relating to the Victoria Park Bus Terminal Replacement capital project and found that costs allocated to this project are reasonably supported and work is being performed in accordance with contract terms. Specifically:

- Construction contract documents, including contract amendments, were properly

approved and in order. As of the end of September/09, the original contract amount of \$37.6M with contractor EllisDon Corporation had increased approximately 2.2% to \$38.4M, and was reported as being 49.2% complete.

- Adequate justification for extra work performed was noted for sampled contract changes valued at \$471K. All extra work was properly authorized prior to commencement. Paid amounts appear reasonable and were made in accordance with terms of the contract.
- Audit reviewed third-party financial records to confirm the all-inclusive billing rates charged for design work performed by Stevens Group Architects Inc. No significant discrepancies or errors in billing rates were noted.
- All work releases for this project were on a time and material basis. Hours charged to the project by consultant staff per selected invoices were agreed to supporting time-sheets with no differences found.
- Payments to sub-consultants sampled were properly supported.

Audit Manager
Internal Audit
01-39
File #08-70000-08

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