

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: January 22, 2010

SUBJECT: INTERNAL AUDIT TRACKING REPORT (JULY - DECEMBER
2009)

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Audit Committee receive for information the attached Internal Audit Tracking Report covering the period July - December 2009.

BACKGROUND

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

DISCUSSION

The report discusses recent Internal Audit activities. The actual reports for completed audits, including Management responses, are presented as individual agenda items.

On a semi-annual basis outstanding recommendations are reviewed with the appropriate management representative. All actions taken to implement a recommendation are verified through standard audit procedures. Attached is our Internal Audit Tracking Report which includes all Implemented and Underway recommendations for the period of July – December 2009.

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January 22, 2010

01-23

Attachments - Internal Audit Tracking Report

INTERNAL AUDIT TRACKING REPORT

Covering Period:

JULY - DECEMBER 2009

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JANUARY 2010

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FOREWORD

The Internal Audit Department provides the Toronto Transit Commission (TTC) with independent evaluations of risk, and assessments on the effectiveness of control systems, quality of performance, and efficiency of operations.

SCOPE OF ACTIVITY

Audits are planned based on the application of risk factors such as: assets at risk, prior audit results, formality and compliance, handling of cash, impact on operations, information system indicators including the complexity of computerization involved, and the systems' contribution to decision-making. The results are documented in the Audit Plan which is approved annually by the Audit Committee.

The Internal Audit Department carries out the following activities in accordance with its mandate:

- Comprehensive Audits – to assess control systems and the achievement of value-for-money in operational areas.
- Capital Audits – to review project expenditures to verify the accuracy of amounts claimed for work completed.
- Special Requests – to address areas of immediate concern or exposure as identified by Management's request.
- System Development Reviews – to provide input to system development and other technology projects.
- Assist External Auditor – in support of the annual audit of the Financial Statements of the TTC.

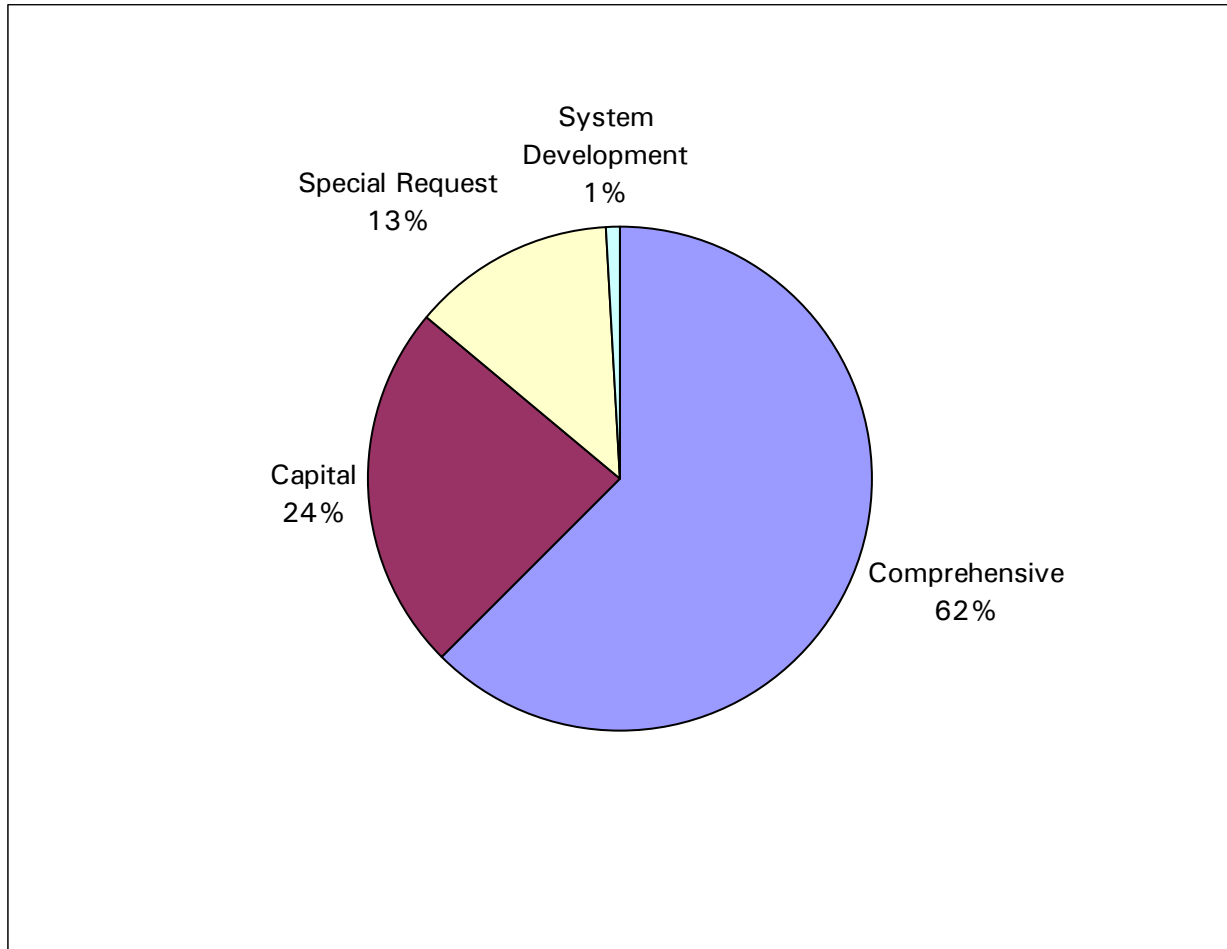
This report covers the main audit activities from July - December 2009.

In this period, the following audits were completed and are included as Audit Committee Agenda Items:

- | | |
|------------------------|--|
| Comprehensive: | <ul style="list-style-type: none">• Pension Fund Society• Treasury Services• ITS – Project Management and Quality Assurance Sections |
| Capital Audits: | <ul style="list-style-type: none">• Mount Dennis Bus Garage• Queensway Bus Garage Renovations• 20 Year SRT Car Overhaul |

AUDIT RESOURCES

The distribution of audit resources for the current reporting period (July - December 2009) is portrayed in the chart below:



STATUS OF COMPREHENSIVE AUDITS

	PLANNED	IN PROGRESS	COMPLETED
2008 AUDIT PLAN			
Human Resources – Occupational Health & Claims Management	√	√	
Human Resources – Employee Relations/Compensation and Benefits (Carry-Forward to 2009)	√	√	
Bus Transportation Department (Carry-Forward to 2009)	√	√	
Pension Fund Society (Carry-Forward to 2009)	√		√
2009 AUDIT PLAN			
Employment Services/Administration Planning & Development	√		
Human Rights Unit	√	√	
Station/Tunnel/Building Equipment/Plant Maintenance Engineering	√		
Harvey Shop	√	√	
YUSS/BD Subway Divisions	√	√	
Station Operations/Collectors	√		
S/E/C Department - Signals	√	√	
Duncan Shop/Fleet Management	√	√	
Treasury Services	√		√
ITS - Project Management and Quality Assurance	√		√
Graphic Services	√	√	
Property Development	√	√	
Revenue Operations	√	√	
2010 AUDIT PLAN			
Greenwood Shop/Equipment Control Desk/Maintenance Engineering	√		
Finance: Capital Projects	√		
General Secretary's Office	√		
ITS - Client Services	√		
M&P - Controlled Stores	√		
E&C - Construction	√		
Safety - Fire Safety & Emergency Planning/Occupational Hygiene & Environment	√		
Rail Transportation - Station Operations/Collectors (Carry-Forward 2011)	√		
S/E/C - Communications/Communications Engineering (Carry-Forward 2011)	√		
ITS - Technical Services (Carry-Forward 2011)	√		
E&C - Engineering (Carry-Forward 2011)	√		

STATUS OF CAPITAL AUDITS

CONSTRUCTION/CONSULTANT ASSIGNMENTS	PLANNED	IN PROGRESS	COMPLETED
2008 AUDIT PLAN			
Subway Asbestos Removal (Carry-Forward to 2009)	√	√	
Victoria Park Terminal Replacement	√	√	
Queensway Bus Garage Renovations (Carry-Forward to 2009)	√		√
20 Year SRT Car Overhaul (Carry-Forward to 2009)	√		√
2009 AUDIT PLAN			
Mount Dennis Bus Garage	√		√
Roofing Rehabilitation	√	√	
On-Grade Paving Rehabilitation Program	√	√	
Bus Rapid Transit (Spadina to York University)	√	√	
Kipling Station Improvements	√	√	
Wilson Complex Modifications	√	√	
Masonry Structure Restoration	√	√	
Sheppard East LRT - Transit City	√		
Toronto-York Spadina – Management Design & Engineering	√	√	
Toronto-York Spadina - Construction	√	√	
2010 AUDIT PLAN			
Eglinton LRT - Transit City	√		
Finch West LRT - Transit City	√		
Purchase of 198 Wheel-Trans Buses	√		
Underground Storage Tank Replacements	√		
Union Station New Platform	√		
YUS ATC Resignalling (Carry-Forward 2011)	√		
Birchmount Repair Bay Modifications (Carry-Forward 2011)	√		
LRT Replacement Maintenance & Storage Facility (Carry-Forward 2011)	√		

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STATUS OF AUDIT RECOMMENDATIONS

Total number of recommendations "Underway" at the beginning of the period.	36
Plus – Number of recommendations "Added" since beginning of period	+ 11
Minus – Number of recommendations verified as "Implemented"	– 13
Total number of recommendations currently "Underway"	34

The following table summarizes the status of the recommendations by Department:

	BEGINNING OF PERIOD	ADDED	IMPLEMENTED	UNDERWAY
<i>OPERATIONS BRANCH</i>				
S/E/C - Electrical (February 2005)	3		3	0
Special Constable Services Department (November 2005)	1			1
S/E/C – Communications and Communications Engineering (May 2006)	2		1	1
S/E/C – Signals and Signals Engineering (July 2006)	1			1
Wheel-Trans - Customer Service and Planning (November 2007)	2		1	1
Streetcar Way (December 2007)	2		2	0
Track & Structure (May 2008)	10			10
Transit Control/Analysis and Procedures (June 2008)	8			8
S/E/C - Electrical/Electrical Engineering/Practices & Procedures (December 2008)	0	4	3	1
Support Services (February 2009)	0	2		2
Training (April 2009)	0	4		4
<i>EXECUTIVE BRANCH</i>				
Information Technology Services – Application Services (March 2006)	1		1	0
Marketing and Customer Service (October 2007)	3		1	2
M&P - Purchasing & Sales (May 2008)	2		1	1
M&P - Inventory Planning (February 2009)	0	1		1
<i>ENGINEERING & CONSTRUCTION BRANCH</i>				
Construction Department (May 2007)	1			1
TOTAL	36	11	13	34

AUDIT RECOMMENDATIONS

IMPLEMENTED

BRANCH: OPERATIONS
DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS
REPORT: ELECTRICAL SECTION – File No.: 04-30032
DATE: FEBRUARY 2005

DESCRIPTION: The Electrical Section is one of four sections within the Signals/Electrical/Communications Department (SEC). The section consists of four maintenance areas that are responsible for maintaining the electrical system for the subway and surface facilities.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #1: OPERATIONAL CONTROL REPORTING</p> <p>Management should undertake to review and improve the controls in the following reporting functions:</p> <ul style="list-style-type: none"> - Identify the inspection, work method or activity to be measured; - Develop a standardized process to capture data; and - Report the accomplishments against established plans. 	<p>Agree. Reporting functions will be reviewed and improved. S/E/C has approval to fill a position the latter part of 2005 to oversee S/E/C MAXIMO Planned Preventative Maintenance System. This person will be charged with reviewing existing inspections, schedule and applicable work methods utilized. Department standards will be established to ensure the date captured and resulting reports clarify if the planned verses actual maintenance activities completed per month are met and compare the value of activity completed to value of activities scheduled.</p> <p>S/E/C will commence this process immediately and expect to have everything fully completed 18 months after the hire date of the S/E/C Business Systems Analyst, which was approved in the 2005 budget.</p> <p>Over the next three months, the Electrical Section will consult with Internal Audit to develop an interim program of Quality Assurance checks that will provide an audit trail of our Electrical Maintenance activities.</p> <p>Responsibility: Superintendent, Electrical – Wiring & Service and Superintendent, Electrical – Traction Power</p>	<p><u>June 2007</u> Substation/traction power preventative maintenance implementation is in progress and identification of the necessary reports in consultation with section management is underway. Subway Wiring preventative maintenance has been developed and co-ordination with Signals is underway to identify the maintenance required to finalize implementation. Overhead preventative maintenance and reporting has been implemented. Performance measures have been established and reports are being developed to assist management in attaining these goals and being able to monitor and control delivery of maintenance.</p> <p><u>December 2007</u> Progressing towards completion.</p> <p><u>June 2008</u> Substations Section is on hold due to business process and future MAXIMO requirements still to be determined. Subway Wiring to implement Snow Melting Equipment Inspections and Surface Wiring will implement Overhead Door Inspections by 3rd quarter 2008.</p>	Closed	<p>May 2007 March 2008 October 2008 June 2009</p> <p>Refer to S/E/C Audit Report dated December 2008</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: OPERATIONAL CONTROL REPORTING (Cont'd.)		<p><u>December 2008</u> All traction power equipment has been catalogued and will be sent for upload into the MAXIMO system by end of 2008. Currently under final review to ensure consistency between MAXIMO-SCADA-print nomenclature methods. Subway Wiring system inventory lists are being finalized – pilot for Snow Melting Equipment Inspections at SRT locations will be started and an evaluation of the pilot completed by June 2009. Surface Wiring is awaiting delivery of hand-held MAXIMO units in 2009 to track and record Overhead Door Inspections - pilot project will continue and is targeted for evaluation June 2009.</p> <p><u>June 2009</u> Overhead Preventative Maintenance & Corrective Maintenance MAXIMO processes are complete. Substation Electrical Maintenance process is complete; Preventative Maintenance by Dec 2009. Corrective Maintenance process is being reviewed</p> <p>In the Surface/Subway Wiring area, MAXIMO hand held units not yet available and the automated Overhead door inspections pilot is on hold. Further evaluation of the Snow Melting SRT trackside heating equipment pilot will be undertaken during the Fall Winter of 2009/10. A pilot on MAXIMO generated Evacuation lighting and Emergency Generator inspection was introduced and has provided positive results. Equipment lists continue to be downloaded into MAXIMO however the standard process required to ensure quality results requires dedicated resources. June 2011 is established for the data entered up to the end of April 2011.</p>		

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #2: INSPECTIONS Management should: <ul style="list-style-type: none"> - Ensure sufficient documentation exists to support the tests conducted and defects identified during the inspections process; - Ensure all locations and equipment that require inspection are identified and documented. 	<p>Agree. Electrical Staff continues to provide updated equipment inventory lists for data entry into MAXIMO. The Computerized Planned Preventative Maintenance System implemented in the Electrical Division will continue to be expanded to include equipment located throughout the various areas of responsibility. MAXIMO system design will manipulate electronic data to generate action and fault tickets for follow up and actions to the appropriate area of responsibility. The responsible section will prioritize the work based on safety and impact on operations established practices.</p> <p>S/E/C will commence this process immediately and expect to have everything fully completed 18 months after the hire date of the S/E/C Business Systems Analyst, which was approved in the 2005 budget.</p> <p>Over the next three months, the Electrical Section will consult with Internal Audit to develop an interim program of Quality Assurance checks that will provide an audit trail of our Electrical Maintenance activities.</p> <p>Responsibility: Superintendent, Electrical – Wiring & Service and Superintendent, Electrical – Traction Power</p>	<p><u>June 2007</u> Substation/traction power preventative maintenance implementation is in progress and identification of the necessary reports in consultation with section management is underway. Subway Wiring preventative maintenance has been developed and co-ordination with Signals is underway to identify the maintenance required to finalize implementation. Overhead preventative maintenance and reporting has been implemented. Performance measures have been established and reports are being developed to assist management in attaining these goals and being able to monitor and control delivery of maintenance.</p> <p><u>December 2007</u> Progressing towards completion.</p> <p><u>June 2008</u> Cost centres are re-evaluating current MAXIMO data to determine further requirements and business processes. Input of equipment inventory by equipment class in progress. Substations – Transformer equipment completed. Wiring and Service - Overhead Doors and Snow Melting Equipment is done. Subway and Surface reports are being amalgamated. Preventive maintenance templates for identified equipment and tool inventory and tracking to be developed in MAXIMO.</p> <p><u>December 2008</u> All Substations equipment completed but in final review stage before upload to MAXIMO. Overhead equipment being added via the developing pole database. For Wiring & Service, Mt Dennis inventory of overhead doors to be added and completed system inventory lists for heating are still being finalized. Surface reports are now standardized & Subway reports under final review - training and final amalgamation targeted for June</p>	Closed	<p>May 2007 March 2008 December 2008 June 2009</p> <p>Refer to S/E/C Audit Report dated December 2008</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #3: ADMINISTRATION</p> <p>Management should develop master inventory lists of TTC supplied tools.</p>	<p>Asset Control: This function was not clearly identified to Materials & Procurement (M&P) when S/E/C resources were transferred to them to implement Central Stores. Each section will complete and provide a list of tools and equipment used in their section to Materials & Procurement by October 2005.</p> <p>Responsibility: Superintendent, Electrical – Wiring & Service and Superintendent, Electrical – Traction Power</p>	<p>2009. Preventative Maintenance SOP being rewritten to include MAXIMO – Surface and Subway review of pilot to be completed – target June 2009.</p> <p><u>June 2009</u> The review of the Substation equipment lists identified deficiencies and equipment data continues to be downloaded into MAXIMO. Overhead pole data base updates continue to be provided. Surface door data has been updated to include the door data from Mt Dennis. Pilot / implementation of automated Overhead door inspections are on hold until Surface / Subway Wiring hand held MAXIMO units are available for use. Subway Wiring continues to review, update and initiate SOPs. Maintenance Manuals and schedules complete with reporting forms and the MAXIMO process information and instructions are being updated and are expected to be circulated by Dec 2009 and evaluated through 2010.</p> <p><u>December 2005</u> A list of tools has been compiled however discussions with M&P will not begin until next year. The completion date should be revised to middle of 2006.</p> <p><u>June 2006</u> M&P have indicated they will not assist with managing the inventory of tools. Locations where tools are currently stored will be reviewed and if necessary additional or new secured areas will be arranged. Responsibility for issuing and monitoring of tools will be reviewed and an SOP will be developed and issued.</p> <p><u>December 2006</u> The completion date has been extended to the end of 2007 due to problems in acquiring space to store the tools at Hillcrest and in the subway.</p>	Closed	<p>October 2005 June 2006 December 2006 December 2007 July 2008 October 2008 June 2009 September 2009</p> <p>Refer to S/E/C Audit Report dated December 2008</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
		<p><u>June 2007</u> The department is still working to identify needed storage space for tools at Hillcrest and some subway locations.</p> <p><u>December 2007</u> Tool inventory lists developed for both Surface Wiring and Services, and Subway Wiring and Services sections. M&P Central Stores confirm they have no space available.</p> <p>SOP will be redrafted to incorporate each section's requirements to store and monitor tools and materials.</p> <p>Target for implementation of a pilot Control of Tool Inventory in Electrical – Wiring Services is July 2008.</p> <p><u>June 2008</u> Wiring and Service inventory lists are being amalgamated into MAXIMO. Standard Operating Procedure will be updated and a new pilot will be implemented.</p> <p><u>December 2008</u> SOP being rewritten to include MAXIMO – Surface & Subway review pilot to be completed target June 2009. Common practices and MAXIMO tutorials for both Substations, Power Control and Overhead are complete and are offered as training modules to employees including the Apprentices.</p> <p><u>June 2009</u> Overhead & Substations sections are complete. Surface / Subway TTC tool lists are being audited. Subway has been required to implement a tool crib/storage area at Keele to secure specialty tools. The applicable Surface Subway SOP updates are targeted to be completed and in place by September 2009.</p>		

DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS DEPARTMENT
REPORT: COMMUNICATIONS AND COMMUNICATIONS ENGINEERING – File No.: 05-30031
DATE: MAY 2006

DESCRIPTION: The Communications section is one of the four sections within the S/E/C department. The section is responsible for the maintenance and installation of all communication equipment and systems. The section is also responsible for installing and maintaining the cable infrastructure and participates in capital project implementation.

Communications Engineering is one of four areas within the S/E/C Engineering. The area is responsible for the delivery of designs, testing of equipment and circuits. The section also provides supervision/engineering support during installation of all communication systems and equipment.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: PROJECT MANAGEMENT Management should ensure that projects are adequately coordinated and monitored.	<p>There have been many changing priorities for communications projects over the last several years. This has resulted in many projects being delayed. This is unavoidable as priorities are frequently changed to meet the changing needs of the business. Monthly Project Summary Reports reflect the current status of each project.</p> <p>There is no one operations person responsible for the coordination of all communications capital projects. In the 2006 budget we made provision for a senior electrical foreperson to coordinate and be the single point of contact for all capital projects (SEC and E&C) that required electrical section resources. This has proven to be successful and will be contemplated for the communications projects in the next budget cycle which would be finalized by March 2007.</p> <p>Responsibility: Superintendent – Communications</p>	<p><u>June 2007</u> The position was created and approved in the 2007 budget for the Capital Project Supervisor; however the filling of this position is on hold due to the budget restrictions.</p> <p><u>December 2007</u> No change in status.</p> <p><u>June 2008</u> No change in status.</p> <p><u>December 2008</u> No change in status.</p> <p><u>June 2009</u> No change in status.</p> <p><u>December 2009</u> A Capital Supervisor has been appointed in the Communications Section.</p>	Implemented	March 2007 TBD March 2009 December 2009

DEPARTMENT: WHEEL-TRANS OPERATIONS
REPORT: WHEEL-TRANS – CUSTOMER SERVICE AND PLANNING – File No.: 07-20041
DATE: NOVEMBER 2007

DESCRIPTION: Wheel-Trans Operations provides a specialized public transportation service within the City of Toronto for people with physical functional mobility limitations. Customer Service and Planning is one of three sections within this Department, and is responsible for planning and scheduling dispatch and reservations, and community service liaison.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #2: CUSTOMER SERVICE Management should eliminate policy uncertainties and ensure the equitable treatment of all customers by:</p> <ul style="list-style-type: none"> - Reviewing and clarifying its position and wording of key customer service policies; and - Establishing standard operating procedures and documentation guidelines to accurately monitor adherence of customers to stated policies and ongoing eligibility criteria. 	<p>Agreed. All aspects of the Cancellation and Prebook Usage policies including administering, suspensions, and appeals will be reviewed in 2008. The Questionable Rider policy will also be reviewed and updated to ensure that all customers who have qualified for service continue to meet the current eligibility requirement to remain on service.</p> <p>Responsibility: Supervisor of Customer Service</p> <p>In addition, all procedures used in monitoring and reporting of the policies will be put in SOP format. Monthly report on performance statistics related to the policies will be prepared also.</p> <p>Responsibility: Compliance Monitor</p>	<p><u>December 2008</u> Review of the Cancellation and Prebook Usage policies was completed. Due to lack of resources, the Questionable Rider policy has not yet been reviewed. A review of this policy and process will be conducted by the second quarter of 2009.</p> <p>A draft of the Eligibility SOP has been developed. Draft SOPs for other aspects of the Customer Service area are being developed and will be completed in the last quarter of 2009.</p> <p><u>June 2009</u> In progress.</p> <p><u>December 2009</u> The Late Cancellation Policy and Prebook Usage policies have been reviewed with the Advisory Committee on Accessible Transportation (ACAT), and the changes recommended have been implemented. In addition to granting customers the ability to cancel 4 days (instead of 3 days) in a month before being in violation of the policy, an orientation session has been developed to educate customers regarding the effects of cancellations and to remediate any issues. The Questionable Rider Program has also been reviewed. The observations (currently performed by Wheel-Trans Mobile Supervisors) will be contracted out by January 2010 as part of our eligibility compliance monitoring process.</p>	Implemented	<p>December 2008 December 2009</p>

DEPARTMENT: RAIL - TRACK & STRUCTURE
REPORT: STREETCAR WAY – File No.: 06-40032
DATE: DECEMBER 2007

DESCRIPTION: Streetcar Way is responsible for providing a safe and reliable track network at the lowest cost. This includes inspecting, maintaining and reconstructing streetcar track and intersections.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: OPERATIONS CONTROL REPORTING Management should implement a process to ensure that: <ul style="list-style-type: none"> - Goals and objectives and performance indicators are established for all key activities within the department. - Review the system reports to determine which reports provide sufficient detail to indicate that established maintenance plans and targets are being achieved. 	<p>Agree with recommendations. Given the Cost Centre's significant focus on the capital rehabilitation of the surface track assets over the past few years, emphasis was placed on establishing Goals & Objectives related to this side of the business. Generic metrics that are applied equally to both capital and operating activities such as absence, safety, employee utilization are in place. Since the majority of the surface track assets are now in a state of good repair, management commits to the creation and establishment of metrics to guide and control the bulk of PM related activities.</p> <p>Responsibility: Superintendent - Streetcar Way</p>	<p><u>December 2008</u> Metrics to guide and control PM related activities have not been developed. MAXIMO reports have been reviewed and updated as required; unused reports have been eliminated.</p> <p><u>June 2009</u> In progress.</p> <p><u>December 2009</u> Making use of operational data for all activities. These metrics will be available quarterly and used to direct activities and control objectives as determined through the findings of ongoing analysis.</p>	Implemented	October 2008 November 2009 October 2009
FINDING #4: ADMINISTRATION Management should implement a process to ensure that: <ul style="list-style-type: none"> - Supervisory personnel discuss the risks and hazards related to the employees work at every pre-shift meeting. - Employees receive the recertification training as required. - A record management process is put in place. 	<p>Agree with recommendations.</p> <ul style="list-style-type: none"> - Procedures are and have been in place to guide Supervisory / Front-line staff in the conduct of pre-start / tailboard job briefings. Audits guided by the CGM's 7-point action plan are now in place to ensure compliance with procedures. - Training records will be coordinated with OTC. - A records retention schedule will be developed inline with the corporate policy. <p>Responsibility: Superintendent - Streetcar Way</p>	<p><u>December 2008</u> Training records have been reconciled with OTC and training requirements are being monitored. Record retention process is in progress.</p> <p><u>June 2009</u> Ongoing.</p> <p><u>December 2009</u> Training records are being coordinated with Operations Training Centre. A record retention process has been established.</p>	Implemented	October 2008 November 2009 October 2009

DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS
REPORT: ELECTRICAL/ELECTRICAL ENGINEERING/PRACTICE & PROCEDURES – File No.: 07-30032
DATE: DECEMBER 2008

DESCRIPTION: The audit covered the electrical activities within the Signals/Electrical/Communications Department (SEC), particularly four of the department's seven major responsibility areas namely: Traction Power, Wiring & Service, Electrical Engineering and Practices & Procedures. These sections collectively are responsible for the maintenance, repair and Capital Works Program of the electrical systems for the subway trains and streetcars and the subway and surface facilities.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: PREVIOUS AUDIT ISSUES Management should ensure that: <ul style="list-style-type: none"> - inventory controls are strengthened over electrical tool and equipment assets, and inventory lists are updated and periodically verified to avoid financial loss of TTC assets; - calibration procedures are effective to ensure equipment safety and measurement accuracy; and 	<p>We acknowledge that tool and equipment inventories are outdated. In order to ensure that tool and equipment assets are protected from loss, inventory lists will be updated and verified by September, 2009.</p> <p>There is currently a system contract in place for calibration in SEC. As part of the inventory update, we will prepare a list of equipment requiring calibration. We anticipate that the existing calibration contract will meet the Department's calibration requirements.</p>	<p><u>December 2009</u> Tool and equipment inventories have been completed in all sections. Substations, Surface Wiring and Subway Wiring are currently in Excel format. The Overhead section's data has been migrated to MAXIMO. All required calibrations have been done for 2009.</p> <p>Substations will have their inventories migrated to MAXIMO by March 2010. Surface and Subway will have theirs migrated by August 2010. Once inventories are in MAXIMO work orders can be issued and tracked to closure to ensure required calibration is completed. Inventories will be updated annually by December 31 of each subsequent year.</p>	Implemented	September 2009

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #2: DOCUMENTATION OF WORK ACTIVITIES Management should ensure that controls are in place for the documenting of inspection and maintenance work performed, such as: <ul style="list-style-type: none"> - develop maintenance schedules in accordance with required maintenance frequencies, and where deviations from requirements are made, the justification decision to accept risks is documented; - ensure that work methods are complete and documented - ensure that the follow-up of outstanding work actions assigned and the resolution of reported problems are sufficiently documented to support the action taken or work completed. - improve records management and filing practices in accordance with TTC guidelines. 	<p>Maintenance frequencies are currently under review to ensure legislative compliance and/or "best practices". Updating of the maintenance frequencies will be documented as part of the 2010 budget cycle. Performance measures will be developed to measure any deviation from the recommended maintenance intervals and the reason for such deviation will be documented as part of the department DPR process.</p> <p>Work methods and SOP's are constantly in development. There are a significant number of work methods and SOP's in the queue awaiting preparation or updates. Current department targets are to prepare 50 new and update 20 SOP's per year. We review the queue annually to determine priorities for update and preparation. The Overhead Section 'follow up' work model will be used throughout S/E/C's Electrical Sections implementation of the MAXIMO Preventive Maintenance program</p> <p>Each section has document retention guidelines. However, we will ensure that record retention and destruction of files will be in accordance with Commission policy.</p> <p>Responsibility: General Superintendent – S/E/C</p>	<p><u>December 2009</u> A zero based budget was done for all sections as part of the 2010 budget cycle. Maintenance frequencies were reevaluated and determined for each class of equipment. In conjunction with Information Technology Services (ITS) Department, a computer program has been developed to allow us to monitor and report on completed MAXIMO preventative maintenance work orders for adherence to scheduled completion date.</p>	Implemented	December 2009
FINDING #3: CONTRACT ADMINISTRATION Management should: <ul style="list-style-type: none"> - ensure that contract administration controls are effective to provide evidence of receipt of goods and/or services, i.e., signatures should be noted on packing slips, and accountability for ordering documented. - review appropriateness of signing authority levels, and revise and/or update delegation of authority, where necessary 	<p>We have reviewed our procedures and will reinforce the requirement to have appropriate administration controls. We will discontinue e-mail orders.</p> <p>We will request a review of Purchasing Card guidelines with a recommendation that signing authority for less than \$1000 per month be delegated to the appropriate Superintendent</p> <p>Responsibility: General Superintendent – S/E/C</p>	<p><u>December 2009</u> In order to centrally monitor expenditures and ensure timely completion of purchasing logs, we will continue to administer purchasing cards from the General Superintendent's Office.</p>	Implemented	September 2009

BRANCH: EXECUTIVE
DEPARTMENT: INFORMATION TECHNOLOGY SERVICES DEPARTMENT
REPORT: APPLICATION SERVICES – File No.: 05-60032
DATE: MARCH 2006

DESCRIPTION: Application Services is a section of the Information Technology Services (ITS) Department in the Executive Branch. The section is responsible for providing maintenance support services for the existing TTC computer-based systems, and technical advisory support for the acquisition, design, development and implementation of new and upgraded systems.

The primary support activities of the section include the following responsibility areas: Planning and Transportation Systems; Finance, Human Resources and Corporate Systems; Maintenance Materials and Engineering; Wheel-Trans Information System; Data Architecture; End-User Computing Support Services.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: END-USER COMPUTING SUPPORT SERVICES Management should: <ul style="list-style-type: none"> - Define the role and responsibilities for the end-user computing support services within the TTC; - Document policies and procedures for the provision of the end-user computing support services, e.g., including security, processing and data integrity controls. 	Concur – Policies and procedures are being documented under the Information Security Project. Responsibility: Director - Project Management Supervisor - Information Security	<u>June 2007</u> On target for completion. <u>December 2007</u> IT Services has re-prioritized the Capital Program in light of the Commission's budget constraints. This has resulted in the Information Security Project being delayed. Consequently, the documentation of policies and procedures has been delayed until November 2008. <u>June 2008</u> The project has now been restarted and is proceeding. However the time involved in getting this project back up and running has delayed the completion date until December 2009. <u>December 2008</u> Progressing towards completion. <u>June 2009</u> Progressing towards completion. <u>December 2009</u> End User Computing roles and procedures are now documented.	Implemented	December 2007 November 2008 December 2009

DEPARTMENT: MARKETING & CUSTOMER SERVICE
MEMO: MARKETING & CUSTOMER SERVICE – File No.: 07-60100
DATE: OCTOBER 2007

DESCRIPTION: The Marketing & Customer Service Department is one of ten departments within the Executive Branch and is made up of four sections: Marketing, Public Affairs, Customer Information/Service, and Marketing Research. The Department is responsible for planning, development, implementation and evaluation of marketing programs designed to maximize TTC awareness and encourage ridership; expanding and improving communications with the general public, government, employees, residents, transit industry and media; ensuring effective customer information by maximizing customers' ability to access information; and providing Senior Management with ridership economic and statistical data and policy analysis relating to fare, financial and social issues and its effect on TTC.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: ADMINISTRATION CONTROLS Management should: - Consider offsite storage for the 2 laptop computers configured for Media Relations and TTC internet website updates in the event of a disaster.	<p>Agreed. Due to a recent departmental reorganization, one laptop used by Media Relations will be transferred to Corporate Communications in the CGM's office. We will work with ITS to review the issue of off site storage for the second laptop and determine next steps for an appropriate resolution.</p> <p>Responsibility: Chief Marketing Officer</p>	<p><u>December 2008</u> Process has been reviewed and alternate storage location has been identified.</p> <p><u>June 2009</u> Marketing currently has one laptop. A second laptop has been requested which will be stored off-site at 1910 Yonge St. After hours, staff are now able to access the web-site from home.</p> <p><u>December 2009</u> Web updates are done through a web based application which can be accessed from any computer, internal or external to TTC. Availability of a TTC laptop for this function is no longer relevant.</p>	Implemented	August 2008 January 2009 December 2009

DEPARTMENT: MATERIALS AND PROCUREMENT
REPORT: PURCHASING AND SALES – File No. 06-60052
DATE: MAY 2008

DESCRIPTION: Purchasing and Sales Section is one of five (5) Sections within the Materials and Procurement Department. The Section provides for the procurement of goods and services to enable the day to day running of the Commission.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: PURCHASING Management should review the effectiveness of the processes and take the necessary steps to: <ul style="list-style-type: none"> - ensure a consistent process to develop bidder lists is developed and maintained. 	<p>Currently there are approximately 600 commodity codes on MMS, but in some cases the coding is not specific enough to identify companies that supply a particular product (e.g. the commodity code is Bus Body Parts, but it does not specify if it is body panels, battery trays or bumpers).</p> <p>The Buyers have now been advised to review and update the MMS commodity code information as it relates to the requirement they are working on to provide more specific information on the products supplied by vendors on the Bidder List. The overall review of the commodity codes is a task that will be completed by approximately July 31, 2009 as part of the implementation of the new IFS Purchasing/Inventory System and this should resolve most of the issues.</p>	<p><u>June 2009</u> The commodity code review and cleanup is part of the implementation of the new IFS system and will be completed by July 31, 2009.</p> <p><u>December 2009</u> The item is now complete.</p>	Implemented	July 2009

AUDIT RECOMMENDATIONS

UNDERWAY

BRANCH: OPERATIONS
DEPARTMENT: SPECIAL CONSTABLE SERVICES DEPARTMENT
REPORT: SPECIAL CONSTABLE SERVICES DEPARTMENT – File No.: 05-15010
DATE: NOVEMBER 2005

DESCRIPTION: Special Constable Services Department was moved to Operations Branch as a result of a re-organization following the elimination of the Corporate Branch. The Department provides transit, industrial and protective security services, and conducts special investigations to ensure a safe and secure environment for passengers, employees, and protection of Commission's assets, facilities and vehicles.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING # 3: PARKING PROGRAM</p> <p>Management should review the parking program to ensure that:</p> <ul style="list-style-type: none"> - The program is enforceable; - The Parking Violation Reporting policy is consistently applied throughout the TTC to all employees; - Property security is increased by having vehicles that do not have authority to park on TTC property tagged by a city parking enforcement officer and or towed. 	<p>Special Constable Services will review the parking program as it applies to controlled access properties (Hillcrest, Davisville, Greenwood, Wilson, McCowan) to address the identified deficiencies and make policy and program change recommendations to Senior Managers.</p> <p>Responsibility: Superintendent - System Security</p>	<p><u>June 2006</u> The review of the Parking Program is ongoing and we now anticipate completion by February 2007.</p> <p><u>June 2007</u> The review of the Parking Program has been completed and a presentation to the Commission has been deferred until later in the year to allow for input from the new Chief General Manager.</p> <p><u>December 2007</u> Special Constable Services initiated a review of the Parking Program for the five TTC controlled access properties. Hillcrest parking issues were prioritized and a plan to have Department Managers audit departmental parking allocations was anticipated. However, Parking Program review activities were postponed pending the completion of the Hillcrest Yard Traffic Audit by the Safety Department to be completed in 2008. Subsequent to the completion of the Safety audit, the General Manager of Operations will determine status of Parking Program review activities.</p> <p><u>June 2008</u> Management has revised the completion date to December 2008.</p>	Underway	<p>February 2006 February 2007 December 2007 June 2008 December 2008 December 2009 December 2010 June 2010</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING # 3: PARKING PROGRAM (Cont'd.)		<p><u>December 2008</u> The Hillcrest Yard Traffic Audit was recently completed. Results will be reviewed by Senior Managers. The General Manager of Operations will assign a senior manager to determine departmental parking allocations at Hillcrest and Davisville/Chaplin/1900 basement. Management has revised the completion date to December 2009.</p> <p><u>June 2009</u> Having reviewed our corporate priorities, we have determined that no action will be taken until the Fall of 2010.</p> <p><u>December 2009</u> Special Constable Services is currently working with the Deputy General Manager – Rail to conduct a review of employees who are presently authorized to park at Hillcrest to determine if they meet the current criteria for parking as prescribed in the policy (employees who must regularly use their personal automobile to perform their duties and employees who must be at their workplace prior to the availability of regular transit service). It will be determined as a result of this review if changes to the current allocation of parking and the parking policy will be required. Plans to commence enforcement of the municipal No Parking Bylaw at the Hillcrest Complex to address vehicles parked without an authorization are under review.</p>		

DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS DEPARTMENT
REPORT: COMMUNICATIONS AND COMMUNICATIONS ENGINEERING – File No.: 05-30031
DATE: MAY 2006

DESCRIPTION: The Communications section is one of the four sections within the S/E/C department. The section is responsible for the maintenance and installation of all communication equipment and systems. The section is also responsible for installing and maintaining the cable infrastructure and participates in capital project implementation.

Communications Engineering is one of four areas within the S/E/C Engineering. The area is responsible for the delivery of designs, testing of equipment and circuits. The section also provides supervision/engineering support during installation of all communication systems and equipment.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: MAINTENANCE Management should ensure that maintenance is performed as per schedule, in accordance with the SOP and that all required documentation/forms are completed and retained.	<p>The General Superintendent has assigned a Business Systems Analyst to review all MAXIMO scheduled and unscheduled maintenance procedures. A section by section review within the SEC Department commenced in late 2005.</p> <p>All future implementations of the MAXIMO work flow maintenance processes will be in accordance with the section Standard Operating Procedures. All required documentation and forms will be completed and retained electronically in MAXIMO and manually filed in hard copy format.</p> <p>The MAXIMO implementation schedule for the Communications section is as follows: Radio Shop full implementation year 2006; CIS equipment confirmation and workflow design year 2006, CIS full implementation year 2007; CABLE Shop, SCADA and Transit Control Technicians full implementation year 2007.</p> <p>The cable inspections referenced in this audit are for cable systems associated with tunnel PAX phones and dry drop phones for the fire department. There were insufficient resources available in 2005 to perform these inspections. We will inspect the cable infrastructure by December 2006.</p> <p>Responsibility: Superintendent – Communications</p>	<p><u>December 2006</u> MAXIMO has been revised for the Radio Shop group. Wayside and Subway Security are presently testing MAXIMO with implementation into MAXIMO Production scheduled for January 2007.</p> <p>The Antenna and Hillcrest groups are scheduled for testing in January 2007 and full implementation with 1st quarter of 2007.</p> <p>Initial MAXIMO discussions have begun for the CIS group. The compilation of CIS Business Requirement Specifications will commence in February 2007 with full CIS implementation expected by year-end 2007.</p> <p>MAXIMO requirements for Cable Shop, SCADA, and Transit Control Technicians will be reviewed no later than 3rd quarter 2007.</p>	Underway	December 2007 September 2008 December 2008 December 2009 December 2010

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: MAINTENANCE (Cont'd.)		<p><u>June 2007</u> Wayside and Subway Security implementation of MAXIMO is complete and placed into production January 2007.</p> <p>MAXIMO for the Antenna and Hillcrest groups in the Radio Shop is underway with implementation planned for year-end 2007.</p> <p>MAXIMO implementation for CIS group is initiated, business requirements have been identified and full implementation is expected by year-end 2007.</p> <p>MAXIMO for Cable Shop, SCADA and Transit Control Technicians is in production, a review is still planned for 3rd quarter.</p> <p><u>December 2007</u> Subway Security group to review and if necessary revise camera equipment records for enhanced maintenance reporting. MAXIMO modifications to be completed by June 2008.</p> <p>Antenna group to review and if necessary review Station Line Amplifier (SLA) and Intermediate Line Amplifier (ILA) equipment records by March 2008. Hillcrest group creating Bench Work procedures. Modifications to MAXIMO to create and track maintenance to be completed by April 2008.</p> <p>CIS is reviewing TRUMP and CIS vehicle equipment records and user screens. All other MAXIMO work for the remaining CIS equipment will be implemented on a priority basis. Full implementation scheduled by September 2008.</p> <p>MAXIMO for Cable Shop, SCADA and Transit Control Technicians is progressing. Full implementation scheduled for 2nd quarter 2008.</p> <p><u>June 2008</u> Progressing to completion with revised completion date of December 2008.</p>		

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: MAINTENANCE (Cont'd.)		<p>December 2008</p> <ul style="list-style-type: none"> - Hillcrest Group – Complete with all history Paging, Portable and Mobile Equipment to be moved into MAXIMO, from FoxPro, by Year End 2008 - Wayside Group – Complete - Subway Security Group – Complete with Camera Equipment to be reviewed by June 2009 - Antenna Group – Complete with PM and Work Methods to be reviewed with implementation date June 2009 - Transit Control Technicians – Complete with scheduled review to commence January 2009 - CIS Group – Review scheduled January 2009 with implementation June 2009 - SCADA Group and Cable Group – Review scheduled June 2009 with completion date December 2009 <p>June 2009 In Progress.</p> <p>December 2009 Five areas remain to be completed.</p>		

DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS DEPARTMENT
REPORT: SIGNALS AND SIGNALS ENGINEERING – File No.: 06-30033
DATE: JULY 2006

DESCRIPTION: The Signals section is one of four sections within the S/E/C Department. The section is responsible for the maintenance, repair and overhaul of signals and relays for the entire subway system. Signals Engineering is one of five areas within the S/E/C Engineering section. The area is responsible for providing technical and engineering support to signals maintenance staff. Both sections are responsible for the replacement of signals, relays and systems as part of the Capital Program.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: TRACK LEVEL ACCESS Management should: <ul style="list-style-type: none"> - Investigate discrepancies noted between various departmental track level access records to determine whether records are incomplete or incidents of unauthorized access have actually occurred; and - Review procedures and processes surrounding the granting/denying of track level access by Transit Control, and the impact thereof, on maintenance windows, patron/employee safety and productivity. 	<p>Signals management will review the feasibility of having the MAXIMO work order process automatically generate the Signal Maintainers log. This will result in one set of Signals records having to be reconciled against one set of Transit Control records</p> <p>Status: This review will be complete by September 30, 2006. If implementation is feasible it will be complete by March 31, 2007</p> <p>Responsibility: General Superintendent SEC</p>	<p><u>June 2007</u> The feasibility of automatic generation of the Signal Maintainers log has been assessed. While feasible, related labour issues were identified that still need to be addressed.</p> <p><u>December 2007</u> Labour issues will not be addressed until June 2008.</p> <p><u>June 2008</u> Staffing issues have delayed progress.</p> <p><u>December 2008</u> Staffing issues have delayed progress.</p> <p><u>June 2009</u> Automatic generation of Signal Maintainer Logs for the Sheppard Line was test piloted in 2008. Technical difficulties and resource issues rendered the test unsuccessful. Management intends to pilot implement the use of hand-held devices on the Sheppard Line in 2010. If successful, use of the devices will be rolled out to the YUS and B/D in 2011.</p> <p><u>December 2009</u> Progressing as planned.</p>	Underway	March 31, 2007 December 2007 June 2008 December 2008 June 2009 September 2011

DEPARTMENT: WHEEL-TRANS OPERATIONS
REPORT: WHEEL-TRANS – CUSTOMER SERVICE AND PLANNING – File No.: 07-20041
DATE: NOVEMBER 2007

DESCRIPTION: Wheel-Trans Operations provides a specialized public transportation service within the City of Toronto for people with physical functional mobility limitations. Customer Service and Planning is one of three sections within this Department, and is responsible for planning and scheduling dispatch and reservations, and community service liaison.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: OPERATIONAL CONTROL REPORTING Management needs to ensure: <ul style="list-style-type: none"> - The timely implementation of technology and system upgrades to minimize persistent inefficiencies and improve functionality; and - Operational performance measures are meaningful, achievable, and accurately reported in an efficient and timely manner. 	<p>Agree that the delay in the Wheel-Trans Information System State of Good Repair (WTIS SOGR) Project has a significant impact on delivering an efficient service while accommodating the 6-7% increase in demand. Interim actions have been implemented, including: vehicle productivity targets were adjusted; technology options for trip booking, cancellations and confirmations were being promoted to customers; manual daily scheduling processes were developed and put in place to obtain the most efficient trip schedules; and operational reports by shift supervisors were reviewed and modified to improve efficiency.</p> <p>The following longer term actions are underway:</p> <ul style="list-style-type: none"> - In coordination with the Information Technology Services Department we are committing on completing the WTIS SOGR upgrade by December 2008. - To improve On-Time Service, the WTIS upgrade includes replacing the scheduling system with an updated travel time distance matrix with the ability update and re-schedule with timely and with more accurate parameters. Further, AVL and GPS capabilities are being actively pursued with a pilot program in 2008 with full implementation and integration scheduled for end 2009. - Daily Scheduling Procedures related to the new scheduling system and AVL/GPS data that will be available will be prepared. - Enhanced management reports will be available with the WTIS SOGR project using the additional data available. - Touch Tone booking system and telephone management system with one number will be implemented as part of telecommunications upgrade. 	<p><u>December 2008</u> A review of this project has determined that the requirements could not be achieved without upgrading the current scheduling system. Wheel-Trans and IT are currently working with the supplier to upgrade the scheduling system over the next 2 years.</p> <p>All projects associated with WTIS State of Good Repair have been placed on hold and will be incorporated in the upgrade of the system.</p> <p><u>June 2009</u> In progress.</p> <p><u>December 2009</u> Working with the TTC Information Technology Services Department, an electronic Dispatch Communications system was implemented in March 2008, and the internet trip booking, cancellations, and online customer communications system was put in place on June 1, 2008. The WTIS SOGR project to replace the scheduling system will now be completed by the end of 2010 and the AVL/GPS system will be partially implemented in 2010 and fully integrated with the scheduling system by the end of 2011.</p>	Underway	December 2008 December 2010 December 2011

DEPARTMENT: TRACK AND STRUCTURE DEPARTMENT
REPORT: TRACK AND STRUCTURE – File No.: 07-30050
DATE: MAY 2008

DESCRIPTION: As a result of a recent reorganization, the Track & Structure Department now consists of five sections: Subway & SRT Track, Streetcar Way, Structure Inspection, Structure Maintenance and Maintenance Engineering. Since Streetcar Way was audited less than a year ago, it was not included as part of this Track & Structure department audit.

These sections are responsible for the inspection, maintenance, replacement and rehabilitation of subway, streetcar and SRT track and related structures. They also provide technical engineering and construction co-ordination services, survey support, and property development design reviews, as well as, prepare designs and contract documents for both subway and surface track projects.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: SAFETY MANAGEMENT Management needs to develop a comprehensive safety management strategy, and then monitor the impact of its departmental safety initiatives to ensure they are efficiently and effectively achieving desired results. Specifically: <ul style="list-style-type: none"> - A formal operating procedure describing the departmental quality assurance process should be developed, including the planning process, review methodologies, documentation requirements, and progress reporting; - Controls to ensure adherence to safety critical operating procedures and related documentation requirements need to be strengthened. 	Agree. A formal operating procedure will be developed to consolidate safety recommendations and to formalize a quality assurance process. Consideration will be given to creation of a Quality Assurance Committee to review procedures, identify common processes and delegate supervisors to perform audits of safety critical processes. Responsibility: General Superintendent – Track & Structure	<u>June 2009</u> Management has started to draft a formalized departmental occupational health and safety plan based on the Z1000-06 CSA standard. The plan is based on a plan, do, check model and will guide all departmental safety activities. It is anticipated that the plan will be comprised of seven elements.	Underway	January 2012
		Management is committed to a comprehensive review of all SOP's, operational procedures and work methods with a view towards culling and simplifying the vast amount of control documentation. Staff resources currently do not exist within the department to undertake this initiative. Management has requested through the 2010 budget process resources to author, validate, train and control the departmental procedures process. Work on this recommendation will begin in 2010 contingent upon approval of sufficient staff resources. <u>December 2009</u> Progressing as planned.	Underway	January 2010

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #2: SUBWAY/SRT TRACK MAINTENANCE</p> <p>Management should review its daily operational risks and business needs to ensure resources are appropriately matched. Areas to consider include:</p> <ul style="list-style-type: none"> - Staff supervision should be active and visible across all shifts; - Real-time scheduling tasks should be performed by the Production Planner, and all scheduling decisions and final work delivered should be clearly documented; - The administrative workload of front-line supervisors needs to be reviewed. 	<p>Agree. The Subway/SRT Track Section will review and revise the current staff organizational structure with the aim to provide an increase in senior supervisory positions on the off shifts. Consideration will be given to increasing the staff allocation dedicated to the Production Planning office given its importance to the safe and efficient operation of the TTC night shift. Consideration will also be given to minimize administrative work performed by the Forepersons and Assistant Forepersons and allocate some of the record keeping duties to the Production Planning office.</p> <p>Responsibility: Superintendent – Subway/SRT Track Maintenance</p>	<p><u>June 2009</u></p> <p>A reorganization of the cost-centre is currently underway. The reorganization is aimed at a strengthening of functional responsibilities and establishment of single point accountability for departmental objectives. Supervisory staff and hourly resources will be aligned by task and specific business activities, to ensure specialization and ownership over key outcomes. Senior staff will be provided with written expectations of business outcomes leaving them to choose the management and supervisory model they feel best suited to achieve stated expectations.</p>	Underway	January 2010
		<p>Management has recognized significant gaps in the department's ability to plan and execute both short and long term work plans. Further, given the increasing workload by all Rail departments conducting work inside the subway system on a daily basis, the need for a system planning role has been identified. Track & Structure management is currently reviewing, within the framework of a departmental OH&S plan, all work planning processes with a view towards improving resource utilization, reducing work conflicts, and better identification of work hazards and controls. As well, system wide planning resources have been requested in the 2010 budget cycle. The planning review and implementation is expected to be completed by January 2010. System wide work planning should be implemented by the end of the second quarter 2010, contingent on receiving approval of requested resource.</p>	Underway	June 2010
		<p>A review of the administration workload of front-line supervisors will be completed by January 2011.</p> <p><u>December 2009</u></p> <p>Progressing as planned.</p>	Underway	January 2011

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: SUBWAY/SRT TRACK INSPECTIONS Management needs to streamline and improve the coordination and monitoring of its track inspection program to ensure it is comprehensive and consistently adhered to by all staff. This should involve: <ul style="list-style-type: none"> - Reviewing all track inspection operating procedures and clarifying frequency standards, responsibilities and documentation requirements; - Management needs to review its use and control over MOWIS defect information. In particular, the status of security upgrades and implementation of other functionalities needs to be confirmed and completed. A formal operating procedure describing the departmental quality assurance process should be developed, including the planning process, review methodologies, documentation requirements, and progress reporting. 	<p>Agree. To address this concern the Subway/SRT Track Section has created and filled a new position - Track QA Engineer. The QA Engineer will review all existing standards, safety recommendations, directives, etc. to identify required safety and quality inspections together with a responsibility matrix. Once identified, inspection schedules will be created for distribution, complete with copies of the appropriate standardized inspection documentation.</p> <p>Responsibility: Superintendent – Subway/SRT Track Maintenance</p> <p>Agree. A MOWIS upgrade project is on-going. The software supplier is working under the direction of the Senior Track Inspection Engineer. Some aspects of the work have taken longer than expected but some segments of the updated program are expected by fall, with full roll-out of the upgraded program before the end of 2008.</p> <p>Responsibility: Superintendent – Subway/SRT Track Maintenance</p>	<p><u>June 2009</u> A review of all current inspection procedures is underway by staff to ensure compliance and due diligence, however, a peer review involving experts from academia coupled with industry leading transit experts has also been commissioned. This review will include all facets of inspection and testing including the department's non-destructive testing regimen, track geometry, and clearance surveys. Our objective is to set the standard for the North American transit industry with a renewed focus and implementation of state-of the art technology in the areas of rail testing and condition based assessments.</p> <p>Given the above peer review, staff will solicit the advice of the peer experts on the continuing use and role of MOWIS within the T&S Department. Much of the rudimentary functionality of a basic Computerised Maintenance Management System does not exist within the current MOWIS architecture, limiting staffs use of this critical tool. Given these seemingly chronic shortfalls of both the software and its supplier, a decision must be made on its future use.</p> <p><u>December 2009</u> Progressing as planned.</p>	<p>Underway</p> <p>Underway</p>	<p>December 2010</p> <p>December 2010</p>
FINDING #4: STRUCTURE MAINTENANCE Management should improve communication processes within the Department, as well as, with other critical parties, and strengthen controls over the planning, scheduling and monitoring of Structure Maintenance activities. Specifically: <ul style="list-style-type: none"> - Inspection recommendations should be used more effectively to prioritize and schedule required structure repair/rehabilitation work, and adjustments to the regular inspection 	<p>Agree. Operational controls will be improved when the Structure Maintenance Database (SMD) is fully implemented in September of 2008, in particular with regards to all of the inspection defects. Other tasks such as station sweeping, station washing and inspections are not currently part of the SMD plan. However, we will review all of these tasks with a view of creating a work order for all work that is to be completed so that its initiation and completion can be monitored.</p>	<p><u>June 2009</u> An interdepartmental reorganization has been planned and carried forward within the 2010 budget process. This reorganization will realign the Structure Inspection section under the responsibility of the Superintendent – Structure Maintenance. Further, a significant increase in inspection personnel has also been requested through this process to address</p>	<p>Underway</p>	<p>January 2010</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>frequency and/or the timely performance of special update inspections should be considered in response to schedule deviations;</p> <ul style="list-style-type: none"> - Responsibility within the Track & Structure Department for overseeing and communicating, on an ongoing basis, with E&C staff throughout all phases of safety critical structural projects should be clarified to ensure clear accountability; and - Operational control measures should be reviewed to ensure they are accurately calculated and meaningful. 	<p>Responsibility: Superintendent – Structure Maintenance</p>	<p>significant gaps in the inspection and maintenance process. Integrating the inspection and maintenance staff within one area of responsibility will encourage a team approach allowing better prioritization, implementation and quality assurance of the entire maintenance function. The additional personnel, if approved, will supplement the current visual inspection process with a tactile inspection of many structures enhancing the quality of inspection allowing a better prioritization of defect.</p>		
	<p>Agree. Responsibility for overseeing and managing the structure rehabilitation work that has been assigned to E&C for execution, rests with the Superintendent of Structure Maintenance. However, responsibility for a particular and specific piece of the structure that has been handed-over to E&C and a Consultant will be with E&C and the Consultant. Written procedures will be developed to describe who is responsible for what during the life of a rehabilitation project since there are so many parties involved (T&S, E&C and Consultants).</p> <p>Responsibility: Superintendent – Structure Inspection</p>	<p>The interdepartmental reorganization will also serve to assign single point accountability for all structural related communications, with all external stakeholders including E&C through one position; Superintendent– Structure Maintenance.</p> <p>While the cited metrics are an important part of the management control process, the underlying project management and implementation processes must be reviewed to ensure alignment with departmental and corporate objectives. A review of these processes including the cited metrics will be conducted prior to the next budget cycle.</p> <p><u>December 2009</u> Progressing as planned.</p>	<p>Underway</p> <p>Underway</p>	<p>January 2010</p> <p>January 2010</p>

DEPARTMENT: SUBWAY TRANSPORTATION DEPARTMENT
REPORT: TRANSIT CONTROL/ANALYSIS AND PROCEDURES – File No.: 08-30042
DATE: JUNE 2008

DESCRIPTION: Transit Control and Analysis/Procedures are two sections within the Subway Transportation Department. Transit Control maintains the optimal level of service to minimize delays and provide emergency response and co-ordinates all incidents on subway, surface requiring emergency services. The Analysis/Procedures Section collects operating data and provides management reports. The section also develops and maintains the standard operating procedures and corporate plans for the department.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>PREVIOUS AUDIT ISSUE: MANAGEMENT INFORMATION SYSTEMS</p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> - Service Level Agreements are established with S/E/C; - S/E/C confirms sufficient resources are available and that maintenance and support agreements will be in place when the warranty period expires; - Security over remote access is established by implementing dial back security; - The required network and communication monitoring tools are identified and implemented; - Disaster Recovery and Business Continuity Plans are developed and implemented; and - Consider the creation of a self contained off site backup facility. 	<p>SEC had developed a Maintenance Resource Plan as early as June 2001. This plan established the basis for the maintenance support for the Transit Control Centre (TCC). The plan includes hardware and software maintenance for Central Signal System (CSS), Supervisory Control and Data Administration (SCADA) and Integrated Communication System (ICS). This plan resulted with TCC staffing presently applied for maintenance. The plan requires review, update and an expansion to include maintenance planning following warranty expiry. Then it can be presented to Transportation for agreement. Interim procedures to be provided November 30, 2005. Procedures to be finalized by December 2006 prior to the warranty expiration in June 2007.</p> <p>Responsibility: General Superintendent – Rail Transportation, Superintendent – Transit Control, and General Superintendent - S/E/C</p>	<p><u>June 2006</u> All areas remain underway and are on target for completion as originally indicated.</p> <p><u>June 2007</u> A Maintenance Plan is developed. The resources needed have been identified and interim procedures are in place. The plan and procedures will be formalized into an SOP once an industry standard is identified and adopted.</p> <p><u>December 2007</u> The completion date has been extended to December 2008.</p> <p><u>June 2008</u> - Maintenance Plan SOP is in progress. - CSS service agreement is in place. - SCADA service agreement will be in place before year-end. - Waiting for Backup Control Centre.</p> <p><u>December 2008</u> Maintenance Plan SOP is in progress. Waiting for Backup Control Centre.</p> <p><u>June 2009</u> No change in status.</p>	Underway	<p>December 2006 June 2007 December 2007 December 2008 December 2010</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #2: SECURITY – TRANSIT CONTROL CENTRE Management should implement procedures and controls to ensure that access to the Transit Control Centre premises is appropriately restricted and the security pod is manned by employees trained and able to handle security-related incidents.	<p>Transitional Work Program employees have been advised to announce visitors to the respective Gunn Building employee being visited. They have also been reminded of a notice posted in the Pod stating that the door must be closed at all times. They are not considered Security Personnel but rather reception personnel who check identification and provide information and directions.</p> <p>A work order has been issued by the S/E/C Department on October 1, 2008 to have a Mag Lock and electronic fob pad installed on the door to the first floor from the north stairwell.</p> <p>Responsibility: Superintendent, Analysis & Procedures</p>	<p><u>June 2009</u> The Rail Transportation Department has investigated the issue and is still ongoing. However, we anticipate the issue will be resolved by the end of 2009.</p>	Underway	March 2009 December 2009 TBD
FINDING #3: COMPUTER SOFTWARE AND HARDWARE SECURITY Management should establish appropriate system access procedures that include password rules requiring minimum length, construction, complexity and periodic changes.	<p>Transit Control discussed with S/E/C systems employees as to the feasibility of this recommendation for both sides. S/E/C is in the process of implementing the recommendation.</p> <p>Responsibility: Superintendent, Transit Control and Head – Special Projects, Signal & Train Control Engineering</p>		Underway	September 2009 TBD
FINDING #4: OTHERS Management should: <ul style="list-style-type: none"> - Ensure that the requirement for ICS sign-in by subway operators and guards are complied with. - Consider automating the process of transferring mainframe information to spreadsheets used for preparing subway service performance reports; 	<p>Investigation into the Log-On procedures for the Operators by Management and Union has revealed a few inconsistencies that required discussions with S/E/C. Discussions have taken place with Rail Transportation, Rail Cars and Shops and S/E/C and it was decided to wait for arrival of the new trains where a new process and procedure will be developed to address this issue.</p> <p>Responsibility: General Superintendent – Rail Transportation, Superintendent – Transit Control, Divisional Superintendents and S/E/C</p>		Underway	December 2010

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #4: OTHERS (Cont'd.)	Discussions were held with the S/E/C Head of Communications Engineering who has committed to automating the front end of the Delay Log System information, the first stage of which was introduced and suggestions sent back by the user group. Responsibility: Superintendent, Analysis & Procedures	<u>June 2009</u> The Rail Transportation Department has investigated the issue and is still ongoing. However, we anticipate the issue will be resolved by the end of 2009.	Underway	March 2009 December 2009 TBD

DEPARTMENT: SIGNALS/ELECTRICAL/COMMUNICATIONS
REPORT: ELECTRICAL/ELECTRICAL ENGINEERING/PRACTICE & PROCEDURES – File No.: 07-30032
DATE: DECEMBER 2008

DESCRIPTION: The audit covered the electrical activities within the Signals/Electrical/Communications Department (SEC), particularly four of the department's seven major responsibility areas namely: Traction Power, Wiring & Service, Electrical Engineering and Practices & Procedures. These sections collectively are responsible for the maintenance, repair and Capital Works Program of the electrical systems for the subway trains and streetcars and the subway and surface facilities.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: PREVIOUS AUDIT ISSUES Management should ensure that: <ul style="list-style-type: none"> - effective controls are implemented for the monitoring of Fuel Credit Card purchases. 	<p>Employees will be reminded at monthly safety meetings about the importance of ensuring all required information is provided on the fuel receipts. Staff will monitor receipts and, as part of the reconciliation process, will notify the appropriate foreperson or supervisor of any noncompliance for follow-up.</p> <p>To improve controls over fuel purchases by Wiring and Service, a request will be made to the Materials and Procurement Department (M&P) to extend the FOB system used in Overhead to them. This should result in better monitoring of purchases and accuracy in recording in required information.</p> <p>Responsibility: Superintendent, Electrical – Wiring & Service and Superintendent, Electrical – Traction Power</p>	<p><u>December 2009</u> M&P has been requested to expand the FOB system to Surface and Subway Wiring. They are investigating the feasibility of doing this in 2010 and will advise us of the timeline for implementation.</p>	Underway	December 2009 December 2010

DEPARTMENT: TRAINING AND SUPPORT SERVICES DEPARTMENT
REPORT: SUPPORT SERVICES – File No.: 08-20020
DATE: FEBRUARY 2009

DESCRIPTION: The Support Services Section is responsible for providing centralized support to departments in the Operations Branch. The services include coordinating the preparation and presentation of the budget, preparing of period reports, attendance control, administering and controlling workforce levels, processing payroll data of the facility maintenance departments, administering the supply of Operator's uniforms and transfer, and co-ordinating employee recognition programs.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #3: TRANSFERS Management should communicate to all divisions of the need for completing wastage reports on a regular basis and forward a copy to Support Services to allow them to assist in the monitoring of transfer wastage and orders;	<p>Effective with the May 2009 board period requirements we will be e-mailing the divisional Superintendents, with copy to Day General Clerks, requesting that results from specific routes and dates be captured rather than leaving the request open ended, thereby, lightening the workload by not asking for routes that are at minimum order levels.</p> <p>We will meet with the General Superintendents of Bus and Rail Transportation to discuss process and reinforce the commitment</p> <p>Responsibility: Director – Support Services</p>	<p><u>December 2009</u> This should be completed by February 2010. All divisions are now completing the transfer wastage reports (except 3 divisions under Bus Transportation). We are giving them one last chance in January before meeting with the General Superintendent of Bus Transportation.</p>	Underway	October 2009 February 2010
FINDING #4: EMPLOYEE AWARDS PROGRAMS Management should determine if the award dinner is meeting the program's objective or if a different form of public acknowledgement could be designed to meet the program's goal.	<p>We have recognized the need to review the Safe Worker/Operator recognition program and have included it as part of our 2009 Goals and Objectives. We expect that a decision will be made by the end of 2009 for possible implementation by 2011 (due to the lead time required to coordinate these events).</p>	<p><u>December 2009</u> There have been several delays in canvassing and obtaining input from both internal and external groups. The target has been extended to February 2010..</p>	Underway	December 2009 February 2010

DEPARTMENT: TRAINING AND SUPPORT SERVICES DEPARTMENT
REPORT: TRAINING – File No.: 08-20030
DATE: APRIL 2009

DESCRIPTION: Training is responsible for the delivery of training to ensure employees and contractors are properly trained, qualified, certified and licensed to perform their work.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: TRAINING Management should review the effectiveness of the processes and take the necessary steps to ensure that; <ul style="list-style-type: none"> - The trainers maintain their recertification requirements; - Required Trainer Quality Evaluations are scheduled and conducted. 	<p>We agree that Instructors should recertify on the courses they conduct, however, no provision was made for this in the calculation of Instructor availability we use for budget purposes. For 2010 we will reduce Instructor availability from 1600 hours per Instructor per year to 1560 hours per Instructor per year to ensure sufficient time in our training schedule to allow Instructors to attend recertification training.</p> <p>Three out of four sections now have Chief Instructors who are primarily responsible for providing training for new Instructors and monitoring/supervising Instructors in the field. In those sections quality evaluations are being conducted. In the 2010 budget we will request a Chief Instructor position for the Bus Maintenance Training Section.</p>	<p><u>December 2009</u> Our proposal to reduce Instructor availability from 1600 to 1560 hours per year in order to allow sufficient time in the schedule for them to participate in required recertification training was not approved during the 2010 budget process. While we will attempt to make every effort to ensure Instructors attend recertification training the actual delivery of scheduled training courses will take precedence.</p> <p><u>December 2009</u> Our proposal to establish a Chief Instructor position for the Bus Maintenance Training Section was not approved in the 2010 budget.</p>	<p>Underway</p> <p>Underway</p>	<p>TBD</p> <p>TBD</p>
FINDING #2: PLANNING & PROGRAM DEVELOPMENT Management should modify the current planning process to address the program development backlog for in-house training programs, including the use of off the shelf or third party training material.	<p>Development needs have consistently exceeded available resources. In conjunction with the 2010 budget process we have undertaken a major review of the curriculum to:</p> <ul style="list-style-type: none"> - List all training courses currently being delivered. - Set a target level for documentation for each course. - Report on the status of existing documentation for each course. - Set a development priority level for each course requiring development. - Establish target completion date for high priority development requirements. <p>Also in conjunction with the 2010 budget, the Department will request the creation of a Program Documentation Specialist position to support the development process.</p>	<p><u>December 2009</u> The major curriculum review was completed and documented. (See 2009 Status Report on Course Documentation.) The 2010 Planning & Program Development budget was developed on the basis of the review results. Off-the-shelf training products are regularly reviewed for suitability for inclusion in courses.</p> <p>The Program Documentation Specialist position to support the development process was approved in the 2010 budget.</p>	<p>Underway</p> <p>Underway</p>	<p>January 2010</p> <p>January 2010</p>

BRANCH: EXECUTIVE
DEPARTMENT: MARKETING & CUSTOMER SERVICE
MEMO: MARKETING & CUSTOMER SERVICE – File No.: 07-60100
DATE: OCTOBER 2007

DESCRIPTION: The Marketing & Customer Service Department is one of ten departments within the Executive Branch and is made up of four sections: Marketing, Public Affairs, Customer Information/Service, and Marketing Research. The Department is responsible for planning, development, implementation and evaluation of marketing programs designed to maximize TTC awareness and encourage ridership; expanding and improving communications with the general public, government, employees, residents, transit industry and media; ensuring effective customer information by maximizing customers' ability to access information; and providing Senior Management with ridership economic and statistical data and policy analysis relating to fare, financial and social issues and its effect on TTC.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: ADMINISTRATION CONTROLS Management should: - Develop a project file for each project and a file/change management system to assist in tracking changes to electronic files.	<p>Agreed. Current working processes and control mechanisms will be reviewed and a maintenance process will be established with the development of a project worksheet to ensure that customer information project files are maintained. We will consult with Graphic Services who have such a control document for their work requests. To be completed by August 2008</p> <p>Assistance from ITS has been requested to determine the requirements, recommendation and cost of a file management system to assist with finding and identifying the most current file changes and updates. To be completed by December 2008.</p> <p>Responsibility: Supervisor - Prints Electronics Information/Marketing Director/ Chief Marketing Officer</p>	<p><u>December 2008</u> Consulting with ITS and Graphics Services.</p> <p><u>June 2009</u> IT is pursuing a corporate wide electronic file management system, (SharePoint).</p> <p><u>December 2009</u> No change in status.</p>	Underway	December 2008 March 2009 TBD

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: ADMINISTRATION CONTROLS (Cont'd.) - Review the Ridership/Revenue models still running on Lotus, which is an application no longer supported by the ITS Department.	Agreed. We will work with ITS to review this issue and determine next steps for an appropriate resolution. We will reach agreement with ITS on the approach to be taken by December 2008. Implementation dates to be finalized at that time.. Responsibility: Market Research Director	<u>December 2008</u> Working with ITS to convert files from Lotus to Excel. <u>June 2009</u> Progressing toward completion. <u>December 2009</u> File conversion is 85-90% complete. The remaining files will be converted in 2010 through the completion of a full budget cycle.	Underway	December 2008 March 2009 December 2009 December 2010

DEPARTMENT: MATERIALS AND PROCUREMENT
REPORT: PURCHASING AND SALES – File No. 06-60052
DATE: MAY 2008

DESCRIPTION: Purchasing and Sales Section is one of five (5) Sections within the Materials and Procurement Department. The Section provides for the procurement of goods and services to enable the day to day running of the Commission.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #2: ADMINISTRATION</p> <p>Management should review the effectiveness of the processes and take the necessary steps to:</p> <ul style="list-style-type: none"> - to ensure Disaster Recovery and Business Continuity plans are reviewed, updated and communicated to staff on a regular basis. 	<p>A Disaster Recovery Plan for the loss of MMS has not been updated since 1999 when it was originally developed for Y2K. The Disaster Recovery and Business Continuity Plan will be updated and an annual review scheduled to ensure plans are updated and communicated to staff on a regular basis.</p> <p>In addition, while informal procedures exist regarding emergency purchases, staff will develop formal procedures and revise the Procurement Policy to reflect this process.</p>	<p><u>June 2009</u> All sections within M&P have updated their disaster recovery plan for the loss of MMS and we are currently working on ensuring all plans (amongst all sections) fit together and this will be completed by July 31, 2009.</p> <p>Staff will develop procedures and revise the Procurement Policy to reflect emergency purchases. The Procurement Policy is scheduled to be updated by the end of 2009 and as part of the update emergency purchases will be included.</p> <p><u>December 2009</u> Disaster recovery plan was completed in October 2009 and Procurement Policy is progressing towards completion.</p>	Underway	<p>March 2009 December 2009 February 2010</p>

DEPARTMENT: MATERIALS AND PROCUREMENT
REPORT: INVENTORY PLANNING – File No. 07-60051
DATE: FEBRUARY 2009

DESCRIPTION: Inventory Planning Section is one of five (5) Sections within the Materials and Procurement Department. The Section manages the inventory of materials to achieve an optimum level taking into account cost and service need of the users. To co-ordinate and manage the identification and disposition of surplus assets.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #2: ADMINISTRATION</p> <p>Management should:</p> <ul style="list-style-type: none"> - ensure that of project material requisition files contain documentation of operating department management approval, - implement regular monitoring and reporting to senior management the value of unused project inventory costs. 	<p>Management acknowledges that appropriate sign-off by Operations Management was not always documented and held in the project file. The Inventory Planning Section now have changed it's authorization procedure to include a verification by the Senior Planner that appropriate user sign off has occurred. As well, the Senior Planner will now be required to conduct periodic audits of capital programs involving inventory material to insure all appropriate sign-offs are on file.</p> <p>Although the status of project material is reported in the year-end financial reporting, management agrees that a separate report should be sent to senior management displaying the current position of project material. This will now be part of the year-end reporting process. In addition, the Project Planning Procedure has been revised to require the originator of the project to be responsible to determine the disposition of the material remaining once a project is considered complete. If the decision is to use the material through on-going maintenance the originator will provide a period of time over which the material will be used.</p>	<p><u>December 2009</u> The authorization document to proceed to acquire project material is in place and working.</p> <p>The report to senior management showing the current position of project material will be published in February 2010.</p>	Underway	February 2010

BRANCH: ENGINEERING AND CONSTRUCTION
DEPARTMENT: CONSTRUCTION DEPARTMENT
REPORT: CONSTRUCTION – File No.: 06-50020
DATE: MAY 2007

DESCRIPTION: The Construction Department has two divisions – Project Management and Construction Management. Project Management is responsible for implementing and co-ordinating the initiation, budget requirements and funding for approval of projects. The section also co-ordinates the delivery of designs and the tendering and award of contracts. It is also responsible for project delivery to the requesting department and management of the contract budget, scope and schedule. Construction Management is responsible for administering and managing construction contracts on schedule and on budget with the designed quality in adherence to safety procedures.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: PROJECT MANAGEMENT Management should implement improvements to the project management process to ensure that: <ul style="list-style-type: none"> - All project plans are consistently prepared in accordance with the Project Management Manual; and - The centralized project files contain all the key project documents and correspondence. 	<p>Departmental Instructions for the preparation of project plans has been updated. Information review sessions with all project management staff are scheduled later this year to review the new processes and instructions to ensure consistency and enforcement of same.</p> <p>Management agrees with Audit that the established processes for centralized project files are not consistently followed. Document Control staff held information sessions with each project management team to review their current processes and stress the need for maintaining centralized project files, in particular, the continuing reliance on electronic media (e-mail) to exchange documentation. Management instructed Document Control staff to conduct a snapshot assessment in six months to evaluate adherence to the established processes.</p>	<p><u>December 2007</u> Review sessions to be scheduled for 2008. A snapshot assessment will be conducted in January 2009.</p> <p><u>June 2008</u> Management time is focused on Spadina Subway and Transit City Projects. Review sessions will ideally be conducted at that time when work force reaches its peak to allow for full participation.</p> <p>A snapshot assessment was completed and some improvement was noted. Another snapshot assessment is planned for year-end.</p> <p><u>December 2008</u> The review sessions will be held in the first half of 2009 and a follow-up assessment will be conducted in the second half of 2009.</p> <p>Snapshot assessment was conducted and identified deficiencies. Further training sessions will be conducted in the first half of 2009 with follow-up assessment to be done in the second half of 2009.</p>	Underway	July 2008 July 2009 December 2009 September 2010

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING #1: PROJECT MANAGEMENT (Cont'd.)		<p><u>June 2009</u> Review of Departmental Instructions on preparation of project plans will be scheduled in the 3rd Quarter of 2009. Review sessions will ideally be conducted at that time when the workforce reaches its peak to allow for full participation.</p> <p>A snapshot assessment was completed and some improvement was noted. Another snapshot assessment is planned for year-end.</p> <p><u>December 2009</u> Planned review of the Departmental Instruction on preparation of project plan is deferred to the 1st Quarter of 2010 along with a snapshot assessment to 3rd Quarter of 2010.</p>		