

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: April 19, 2011

SUBJECT: INTERNAL AUDIT REPORT – MATERIALS AND
PROCUREMENT – GRAPHIC SERVICES SECTION

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Audit Committee receive for information the attached Internal Audit Report and Management's responses.

BACKGROUND

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

Richard G. Beecroft
Chief Auditor

April 19, 2011
01-23

Attachment – Internal Audit Report

TORONTO TRANSIT COMMISSION

TO R. Beecroft
FROM D. Torralba
DATE January 25, 2011
SUBJECT Audit Summary – Materials and Procurement Department – Graphic Services Section

The audit of the Graphic Services Section of the Materials & Procurement Department is now completed. The results of the audit tests indicated that the Section is well-managed, internal controls are functioning satisfactorily and no significant weaknesses were found. However, the following items have been brought to Management's attention:

Policies and Procedures

The operating processes and procedures for the Design & Imaging and Printing Services units are not documented. While a procedures manual exists for the Section's administrative processes, some procedural documentation found in the manual requires updating.

Management Information System / Operational Control Reporting

All active users of the Avanti system have system administrator privileges that allow the users to make any change to the system. In addition, the current list of active users includes ex-Graphic Section employees.

A review of the Avanti List of Active Jobs noted a number of requisitions from the years 2007 and 2008 which should have been closed as they pertain to printing of dated documents.

Purchasing

Audit tests of purchasing transactions noted instances of charges attributable to specific cost centres not being charged to the appropriate cost centres.

Asset Control & Security

No asset listing is maintained for equipment used by the Design and Imaging Section. The asset listing of Printing Section equipment requires updating as some newer equipment is not included and assets that have been disposed of still appear on the listing.

Payroll and Attendance

Audit's review of the attendance records noted instances where lieu time earned remained unused past the maximum 3-month accumulation period.

The above issues have been discussed with Ian McCreath, Director – Graphics Services and Sandy MacDonald, Manager – Materials & Procurement Department for their action, some of which have been initiated. We would like to thank the management and staff of the Graphic Services Section for all the assistance and cooperation provided to us during our audit review.

Audit Manager
Internal Audit Department
File No.: 09-50061