

## **TTC AUDIT COMMITTEE REPORT NO.**

**MEETING DATE:** January 23, 2012

**SUBJECT:** INTERNAL AUDIT REPORT (AUGUST - DECEMBER 2011)

### **INFORMATION ITEM**

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#### **RECOMMENDATION**

It is recommended that the Audit Committee receive for information the attached Internal Audit Report covering the period August – December 2011.

#### **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 Report which includes all Implemented and Underway recommendations for the period of August – December 2011.

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January 23, 2012

01-23

Attachments – Internal Audit Reports

# **INTERNAL AUDIT REPORT**

**Covering Period:**

**AUGUST – DECEMBER 2011**

**CONTACT: Richard G. Beecroft**  
**Chief Auditor**  
**(416) 393-3691**

# TABLE OF CONTENTS

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	<b>Page No.</b>
FOREWORD .....	1
SCOPE OF ACTIVITY .....	1
AUDIT RESOURCES .....	2
STATUS OF COMPREHENSIVE AUDITS.....	3
STATUS OF CAPITAL AUDITS .....	4
AUDIT FOLLOW-UP REPORTS – INDEX.....	5
STATUS OF AUDIT RECOMMENDATIONS .....	6
AUDIT RECOMMENDATIONS – IMPLEMENTED .....	7 - 21
AUDIT RECOMMENDATIONS – UNDERWAY .....	22 - 48

## **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.

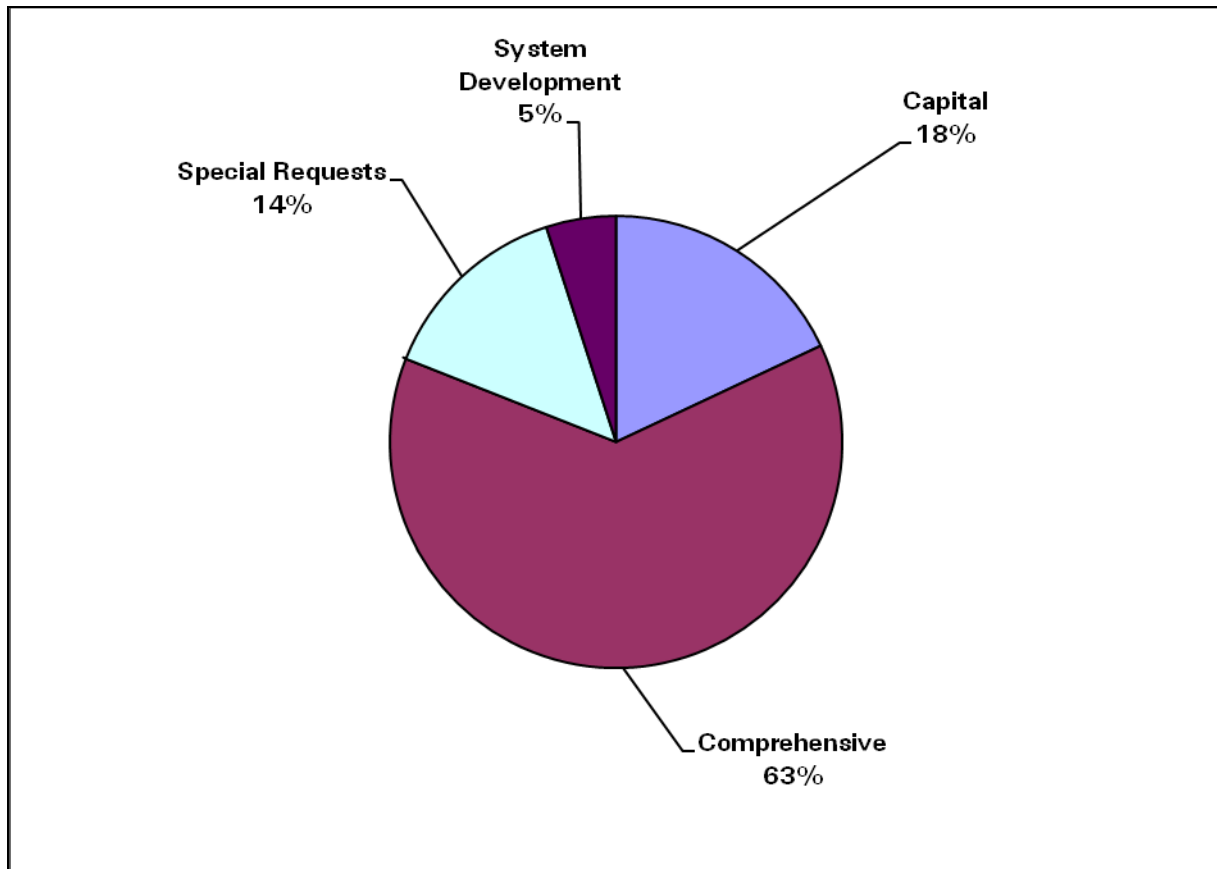
This report covers the main audit activities from August – December 2011.

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

- |                             |  |
|-----------------------------|--|
| <b>Comprehensive Audit:</b> | <ul style="list-style-type: none"><li>• <b>Bus Maintenance Department – Duncan Shop and Fleet Management</b></li><li>• <b>Plant Maintenance Department – Building Equipment, Facilities, and Plant Maintenance Engineering</b></li></ul> |
| <b>Capital Audit:</b>       | <ul style="list-style-type: none"><li>• <b>Birchmount Bus Garage Repair Bay Modifications Project</b></li></ul>  |

## AUDIT RESOURCES

The distribution of audit resources for the current reporting period (August – December 2011) is portrayed in the chart below:



## STATUS OF COMPREHENSIVE AUDITS

COMPREHENSIVE REPORTS	PLANNED	IN PROGRESS	COMPLETED	STATUS OF REPORTS
<b>2009 AUDIT PLAN</b>				
Plant Maintenance Department - Station/Tunnel/Building Equipment/Plant Maintenance Engineering	√	√	√	Exit Meeting: Sept. 6, 2011 Final Meeting: Dec. 15, 2011 Audit Committee: Jan. 23, 2012
Bus Maintenance Department – Duncan Shop and Fleet Management	√	√	√	Exit Meeting: March 29, 2011 Final Meeting: Sept. 12, 2011 Audit Committee: January 23, 2012
<b>2010 AUDIT PLAN</b>				
Finance: Capital Accounting	√	√		Exit Meeting: Nov. 8, 2011 Final Meeting: January 18, 2012
ITS - Client Services	√	√		Exit Meeting: Nov. 4, 2011 Awaiting Management Responses Final Meeting: February 10, 2012
E&C - Construction	√	√		Exit Meeting: Oct. 6, 2011 Final Meeting: January 24, 2012
Safety - Fire Safety & Emergency Planning/Occupational Hygiene & Environment	√	√		Exit Meeting: Dec. 13, 2011 Final Meeting: January 24, 2012
S/E/C - Communications/Communications Engineering (C/F 2011)	√	√		Draft Audit Completed Exit Meeting: February 6, 2012
E&C - Engineering (C/F 2011)	√	√		Conducting Audit
<b>2011 AUDIT PLAN</b>				
TTC/GTA Farecard Project (Deferred. No Contract)				Deferred. No Contract
Subway Carhouses	√			Audit to Commence: February 2012
Station Operations and Collectors	√	√		Conducting Audit
Streetcar Divisions	√	√		Exit Meeting: Dec. 2, 2011 Final Meeting: January 23, 2012
Maintenance Engineering/Subway/SRT Track Section/Streetcar Way	√			Audit to Commence: Jan. 2012
Wheel-Trans: Transportation and Maintenance (Cancelled - on City Auditor's Plan)				Cancelled - on City Auditor's Plan
Finance: Payrolls and Costs	√			Audit to Commence: March 2012
Plant Maintenance: Elevators & Escalators (C/F 2012)	√	√		Conducting Audit

## STATUS OF CAPITAL AUDITS

CONSTRUCTION/CONSULTANT ASSIGNMENTS	PLANNED	IN PROGRESS	COMPLETED	STATUS OF REPORTS
<b>2010 AUDIT PLAN</b>				
YUS ATC Resignalling (C/F 2011)	√	√		In Progress
Birchmount Repair Bay Modifications (C/F 2011)	√	√	√	Exit Meeting: Sept. 14, 2011 Final Meeting: Nov. 3, 2011 Audit Committee: January 23, 2012
LRT Replacement Maintenance & Storage Facility (C/F 2011)	√			Deferred
<b>2011 AUDIT PLAN</b>				
Fire Ventilation	√	√		In Progress
Purchase of Subway Cars (C/F 2012)	√			
<b><i>Toronto-York Spadina Subway Extension</i></b>				
TTC Costs (Management and Engineering)	√	√	√	ETF Meeting: Nov. 22, 2011
Consultant Contracts	√	√	√	ETF Meeting: Dec. 20, 2011
Vehicles/Tunnel Boring Costs	√	√	√	ETF Meeting: Nov. 22, 2011
Municipality/Utility/Property Costs	√	√		In Progress
Construction Contracts (C/F 2012)	√	√		In Progress

# AUDIT FOLLOW-UP REPORTS

## INDEX

Page No.

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<b>STATUS OF AUDIT RECOMMENDATIONS</b> .....	6
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<b>AUDIT RECOMMENDATIONS <u>IMPLEMENTED</u> THIS PERIOD</b> .....	7
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### **CGM's OFFICE:**

• Human Resources – Employment Services, and Planning and Development (January 2011) .....	8
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### **OPERATIONS:**

• Transit Enforcement & Security Services (November 2005) .....	9
• Wheel-Trans – Customer Service and Planning (November 2007).....	12
• Bus Operations (July 2009).....	14
• Rail Cars & Shops – Greenwood Shops, Maintenance Engineering, Equipment Control Desk and Production & Office Services (December 2010) .....	16
• Rail Cars & Shops – Harvey Shop (February 2011) .....	19

### **EXECUTIVE:**

• General Secretary's Office (April 2011) .....	20
• M&P - Purchasing and Sales (June 2011).....	21

<b>AUDIT RECOMMENDATIONS <u>UNDERWAY</u> THIS PERIOD</b> .....	22
--	----

### **CGM's OFFICE:**

• Human Resources – Employment Services, and Planning and Development (January 2011) .....	23
--	----

### **OPERATIONS:**

• S/E/C - Communications and Communications Engineering (May 2006) .....	24
• Track and Structure Department (May 2008) .....	27
• Transit Control and Analysis Procedures (June 2008).....	33
•	
• Station Operations & Collectors (November 2010).....	39
• Rail Cars & Shops – Harvey Shop (February 2011) .....	41

### **EXECUTIVE:**

• ITS – Project Management & Quality Assurance (December 2006).....	42
• Property Development (February 2010).....	43
• General Secretary's Office (April 2011) .....	44
• ITS – Technical Services Section (May 2011) .....	46
• Materials and Procurement – Purchasing and Sales (June 2011) .....	48



## **STATUS OF AUDIT RECOMMENDATIONS**

Total number of recommendations "Underway" at the beginning of the period.	<b>32</b>
Plus – Number of recommendations "Added" since beginning of period	+ 0
Minus – Number of recommendations verified as "Implemented"	– 10
Total number of recommendations currently "Underway"	<b>22</b>

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

	BEGINNING OF PERIOD	ADDED	IMPLEMENTED	UNDERWAY
<b><i>CGM'S OFFICE</i></b>				
HR - Employment Services, Planning and Development (January 2011)	2		1	1
<b><i>OPERATIONS BRANCH</i></b>				
S/E/C – Communications & Communications Engineering (May 2006)	1			1
Wheel-Trans - Customer Service and Planning (November 2007)	1		1	0
Track & Structure (May 2008)	4			4
Transit Control/Analysis and Procedures (June 2008)	4			4
Bus Operations (July 2009)	1		1	0
Station Operations & Collectors (November 2010)	2			2
Rail Cars & Shops - Harvey Shops (February 2011)	3		1	2
Transit Enforcement & Security Services (November 2005)	1		1	0
Rail Cars & Shops - Greenwood Shops (December 2010)	3		3	0
<b><i>EXECUTIVE BRANCH</i></b>				
ITS - Project Management & Quality Assurance (December 2008)	1			1
Property Development (February 2010)	1			1
General Secretary's Office (April 2011)	3		1	2
ITS - Technical Services (May 2011)	1			1
M&P - Purchasing and Sales (June 2011)	2		1	1
Revenue Operations (July 2008)	2			2
<b>TOTAL</b>	<b>32</b>	<b>0</b>	<b>10</b>	<b>22</b>

# **AUDIT RECOMMENDATIONS**

**IMPLEMENTED**

**BRANCH:** CGM'S OFFICE  
**DEPARTMENT:** HUMAN RESOURCES - EMPLOYEMENT SERVICES, AND PLANNING AND DEVELOPMENT  
**REPORT:** HUMAN RESOURCES - EMPLOYEMENT SERVICES, AND PLANNING AND DEVELOPMENT – File No.: 09-10013  
**DATE:** JANUARY 2011

**DESCRIPTION:** The Human Resources Department is composed of seven sections and reports to the Chief General Manager's Office. This audit focused on two of the sections: Employment Services, and Planning and Development. The major activities of these sections are to:

- ensure that the TTC is staffed with qualified individuals through the implementation of various recruitment programs and outreach initiatives in a manner that is in accordance with established policies, procedures and departmental requirements and/or training schedules
- provide relevant and quality training, and career development opportunities for all employees in the achievement of the TTC's organization goals and objectives

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #4: HUMAN RESOURCES PLANNING</b>  Management should ensure that the succession planning process is effective in attaining the program's goals.</p>	<p>Agreed, efforts continue to make the succession planning program at the Commission more widely used and recognized as a management tool to assist in the long term planning function for staff turnover. However, this process is a line management responsibility which will be addressed in the very near future through goals and objectives as part of Senior Management's annual Employee Performance Appraisal.</p>	<p><u>December 2011</u>  This is included in the EPA's. Given the corporate restructuring/reorganization, there have been no further discussions on succession planning. Employees who may have been in line for positions through this process have lost the opportunity in an effort to place an employee who has been involuntarily separated.</p>	<p>Implemented</p>	<p>December 2011</p>

**BRANCH:** OPERATIONS  
**DEPARTMENT:** TRANSIT ENFORCEMENT & SECURITY SERVICES  
**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. The department has since been renamed Transit Enforcement and Security Services.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING # 3: PARKING PROGRAM</b></p> <p>Management should review the parking program to ensure that:</p> <ul style="list-style-type: none"> <li>- The program is enforceable;</li> <li>- The Parking Violation Reporting policy is consistently applied throughout the TTC to all employees;</li> <li>- 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.</li> </ul>	<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>	<p>Implemented</p>	<p><del>February 2006</del>  <del>February 2007</del>  <del>December 2007</del>  <del>June 2008</del>  <del>December 2008</del>  <del>December 2009</del>  <del>December 2010</del>  <del>June 2010</del>  <del>December 2010</del>  <del>March 2011</del>  <del>September 2011</del>  December 2011</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING # 3: PARKING PROGRAM (Cont'd.)</p>		<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>		

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
FINDING # 3: PARKING PROGRAM (Cont'd.)		<p><u>June 2010</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.</p> <p>Plans to commence enforcement of the municipal No Parking Bylaw at the Hillcrest Complex to address vehicles parked without an authorization were implemented in March 2010.</p> <p><u>December 2010</u> Parking enforcement by Toronto Police Parking Enforcement Unit has been implemented at problem sites (e.g., Hillcrest and Greenwood).</p> <p>Plans to redesign Hillcrest employee parking are under review. The Corporate Parking policy has been revised to reflect new parking eligibility criteria. Proposed plans and policy revisions will be reviewed with TTC stakeholders on Jan. 6/11.</p> <p><u>June 2011</u> On February 17, TESS staff met with Hillcrest stakeholders to initiate a review of staff parking assignments against new parking criteria. On May 31, a follow-up stakeholder meeting was held to report our results and discuss implementation.</p> <p><u>December 2011</u> No further work.</p>		

**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><b>FINDING #3: OPERATIONAL CONTROL REPORTING</b>  Management needs to ensure:</p> <ul style="list-style-type: none"> <li>- The timely implementation of technology and system upgrades to minimize persistent inefficiencies and improve functionality; and</li> <li>- Operational performance measures are meaningful, achievable, and accurately reported in an efficient and timely manner.</li> </ul>	<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"> <li>- In coordination with the Information Technology Services Department we are committing on completing the WTIS SOGR upgrade by December 2008.</li> <li>- 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.</li> <li>- Daily Scheduling Procedures related to the new scheduling system and AVL/GPS data that will be available will be prepared.</li> <li>- Enhanced management reports will be available with the WTIS SOGR project using the additional data available.</li> </ul>	<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>	<p>Implemented</p>	<p><del>December 2008</del>  <del>December 2010</del>  <del>December 2011</del>  August 2011</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: OPERATIONAL CONTROL REPORTING</b></p>	<p>- Touch Tone booking system and telephone management system with one number will be implemented as part of telecommunications upgrade.</p>	<p><u>December 2010</u> Continuing to work with the TTC Information Technology Services department to upgrade the WTIS scheduling system. The upgrade will be completed by the end of this year, but will not be implemented until the summer of 2011. This will allow for integration between the scheduling system and a required upgrade of the telephone booking and information system (Rideline). Obtaining a suitable hosting agreement delayed the implementation of the AVL/GPS system until Spring 2011.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> In August 2011, the upgrade of the telephone touch-tone system (Rideline) was completed. An upgrade of the entire Commission's telephone system is underway and will provide the platform for further Rideline improvements. Currently, additional functionality is being incorporated into Rideline that will notify customers their ride will be arriving shortly. Once these upgrades are completed, Management will also consider the introduction of a one number system for customers.</p>		



**DEPARTMENT:** BUS TRANSPORTATION DEPARTMENT  
**REPORT:** BUS OPERATIONS – File No.: 08-40021  
**DATE:** JULY 2009

**DESCRIPTION:** The Bus Transportation Department is comprised of seven Bus divisions. These divisions are responsible for the operation of buses as a mode of public transport in Toronto. This involves operating a fleet of buses, managing divisional operating facilities, and supervising a workforce of Operators, Route Supervisors and Clerical Staff.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: ROUTE MANAGEMENT</b>  Management should ensure that:</p> <ul style="list-style-type: none"> <li>- Clear direction and decisive leadership regarding current route management expectations and processes are established and implemented</li> </ul>	<p>Bus Transportation concurs with the analysis and recommendations of the audit in that the initiatives identified in 2004 have not been implemented. However, the process of improving, upgrading route management procedures and functions has been ongoing for a significant period of time and is continuing.</p> <p>Acknowledging that the reliability of current information is less than favourable, steps are being undertaken to improve overall route management, including the introduction of new technology, hardware upgrades, procedural changes and the introduction of increased on street supervision. Clearly defined targets and goals will be further clarified as the Route Management Pilot progresses at Wilson Division, with regards to route performance, schedule adherence and route assessments.</p> <p>We believe that a comprehensive approach to measuring Bus service performance is the most effective way of determining overall impact on our customers. These measures should encompass safety performance as well as cost effectiveness and service quality. In this regard, Bus Transportation efforts during 2009 have targeted the following service measure parameters:</p> <p>1. Complaints By Route - route data will be reported at a more detailed level including issue, sector, time of day, bus type as well as operator service profile to better determine root cause and corrective action.</p>	<p><u>December 2010</u>  A multi year program to upgrade hardware, including trumps, communication capability, tracking, etc is ongoing as part of a Capital project. Increases in on street supervision are being proposed as part of the 2011 budget with a 5 year plan outlined.</p> <p><u>June 2011</u>  Route Management review currently being conducted within Bus Transportation to identify efficiencies in tracking and reporting service reliability and route performance</p> <p><u>December 2010</u>  More accurate and representative route performance measures are being developed.</p> <p><u>June 2011</u>  Route Management review currently being conducted within Bus Transportation to identify efficiencies in tracking and reporting service reliability and route performance.</p> <p><u>December 2011</u>  Bus Transportation has a new management team in place; the focus will be on Customer Service and Service on the street. We consider this finding closed.</p>	<p>Implemented</p>	<p><del>June 2011</del>  <del>September 2011</del>  December 2011</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
	<p>2. On-Time Performance - global positioning system interface with the established service schedule.</p> <p>3. Actual Headway Adherence vs. Scheduled Headway - monitoring system to provide specific schedule information by route and time of day.</p> <p>4. Percent of scheduled service delivered - improved assessment of service provided by time of day.</p> <p>5. Actual running time vs. scheduled running time.</p> <p>Unscheduled short turns - measured to reflect impact on customers.</p> <p>Collisions, onboard, fare disputes and disablements per route – tracked with regards to out of service minutes in order to accurately measure impact on service.</p> <p>Although all of these factors impact our bus service performance from a customer perspective, additional emphasis is being placed on developing an overall Performance Index for reporting purposes. Significant work is necessary to set the stage for improving the way bus service is managed and delivered on the street.</p>			

**DEPARTMENT:** RAIL CARS & SHOPS  
**REPORT:** GREENWOOD SHOPS, MAINTENANCE ENGINEERING, EQUIPMENT CONTROL DESK and PRODUCTION & OFFICE SERVICES – File No.: 10-30022  
**DATE:** DECEMBER 2010

**DESCRIPTION:** Greenwood Shop is responsible for the repair and overhaul of revenue vehicles and components, and, maintenance, repair and overhaul of the non-revenue workcars. The Shop is also responsible for the inspection, maintenance and repair of the Shop facility’s equipment, including hoists, cranes, etc.

The Maintenance Engineering Section is responsible for providing technical and engineering support to the Rail Operating Carhouses/Shops and the Materials and Procurement (M&P) Department on design and/or modification issues that may arise. In addition, a central library of technical specifications of the vehicles is maintained and technical manuals are distributed as required.

Reporting to the Superintendent - Rail Cars & Shops (Rail Fleet), the Equipment Control Desk (ECD) and the Rail Vehicle Analyzers (Platform), formerly Subway Line Mechanics, for the timely response to and resolution of problems with vehicles in service in order to minimize service interruptions.

Reporting the of Superintendent – Production Planning and Control, the Production and Office Services unit at the Greenwood Shop is responsible for coordinating subway vehicle overhauls and monitoring and managing the movement and supply of vehicle components and spare parts.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: PREVIOUS AUDIT RECOMMENDATIONS</b>  As implemented corrective actions have failed to achieve the desired results, Management should take further action and implement procedures that ensure ultrasonic inspections of subway car axles are completed and documented in accordance with the Department’s standards.</p>	<p>Procedure #RTT-SP-9-1 applies to the subway carhouses. Greenwood Shop’s procedure for Ultrasonic Inspection of Subway Car Axles is similar but not identical to #RTT-SP-9-1. At Greenwood Shop a qualified ultrasonic inspector inspects the axle and confirms same on the Greenwood Shop Axle Set Work Order. To ensure that ultrasonic inspection work orders are properly documented, management will institute a quality check on each axle document before releasing axle to be inserted into an axle set assembly. The foreperson of the Truck and Mechanical Repairs section (O5F3) is responsible to use only axles that have been confirmed acceptable by the ultrasonic inspector. The foreperson establishes evidence of this by signing the Greenwood Shop Axle Set Work Order random spot checks to ensure compliance.</p>		Implemented	September 2011

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: SHOP SERVICES</b></p> <p>Management should ensure that adequate procedures are in place to ensure that:</p> <ul style="list-style-type: none"> <li>- list of assets requiring calibration are complete and up-to-date and only assets on the lists are sent out for calibration, and</li> <li>- the use of non-revenue vehicles are approved, documented and monitored.</li> </ul>	<p>An audit of tools and equipment calibration requirements and records, to measure compliance to the established tools list and procedure, is in progress. This audit is covering all Rail Cars &amp; Shops (RC&amp;S) locations including Greenwood Shop. Management will update approved list of tools/equipment requiring calibration and ensure that only tools/equipment on the approved list are sent for calibration.</p> <p>Management will enforce use of sign-in and sign-out sheets for use of non-revenue vehicles</p> <p>Responsibility: The RC&amp;S Foreperson Tools and Facilities is responsible for updating the tools and equipment calibration list. The foreperson of the Shop Service section (O5F5) will be responsible for informing the RC&amp;S Foreperson - Tools and Facilities of tools/equipment that are to be added to the approved list and for ensuring that only list approved tools/equipment are sent for calibration. The foreperson of the Shop Service section will ensure that employees are properly signing out non revenue vehicles; the Section Supervisor will perform random spot checks to ensure compliance</p>	<p><u>December 2011</u> Completed. There is an ongoing activity to monitor and update tool lists.</p>	<p>Implemented</p>	<p>December 2011</p>
<p><b>FINDING #3: PROCEDURES DOCUMENTATION</b></p> <p>Management should establish procedures to ensure timely updates of standards and procedures for the inspection, maintenance and overhaul of subway vehicles and work cars.</p>	<p>Instructions as to the NDT inspection requirements for the T1 Ten-Year Truck Overhaul were issued in a February 2, 2007 Progress Report by Maintenance Engineering. The Progress Report instructions have been applied to the 10-year program by issuing the information to those performing this work. A document is being prepared to apply to the 15-year program which will commence in 2012. Sign off will be achieved by the end of October 2011.</p> <p>Management will ensure that work on the T1 10-Year and 15-Year overhauls is part of a defined scope of work and that this work is performed to an approved procedure as set out by the RC&amp;S Department or if no approved procedure exists, the work will be performed to a standard set out by RC&amp;S Department technical instruction document.</p>	<p><u>December 2011</u> Completed. NDT Inspection requirements are issued in the Truck Overhaul SOP for the T1 15 overhaul that starts 2012.</p>	<p>Implemented</p>	<p><del>October 2011</del> December 2011</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
	<p>Responsibility: The Senior Engineer Electrical of the Maintenance Engineering Section is responsible for the development and preparation of the procedures for the T1 10-Year and 15-Year overhauls. The Superintendent of Greenwood Shop is responsible for ensuring that work being performed in the T1 10-Year and 15-Year overhaul is part of a scope of work approved in the TTC Capital Budget and that all of the scope of work is performed to departmental standards.</p>			

DEPARTMENT: RAIL CARS & SHOPS DEPARTMENT  
 REPORT: HARVEY SHOP – File No.: 09-30023  
 DATE: FEBRUARY 2011

DESCRIPTION: The Shop performs vehicle overhaul on streetcar and bus vehicles and component overhaul for streetcar and subway vehicles. The Shop also fabricates various parts and assemblies for other departments and provides maintenance services for garages and carhouses.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: LUNCHROOM</b>            Management should review and implement improved controls over the cash handling, financial reporting, purchases and inspections in the lunchroom operations.</p>	<p>There should be a corporate direction in this regard that would apply to all lunchrooms at the TTC. A review is underway by the Safety Department.</p>	<p><u>June 2011</u>            Hours of work are appropriately charged and cash float recorded.</p> <p>Purchase order contracts for food are being processed through M&amp;P.</p>	<p>Implemented</p> <p>Implemented</p>	<p>December 2011</p>

**BRANCH:** EXECUTIVE  
**DEPARTMENT:** GENERAL SECRETARY'S OFFICE  
**REPORT:** GENERAL SECRETARY'S OFFICE  
**DATE:** APRIL 2011

**DESCRIPTION:** The General Secretary's Office (GSO) is composed of two sections and reports to the General Manager/General Secretary of the Executive Branch. This audit focused on both of the sections: Corporate Secretariat/Mail Services, and Freedom of Information/Records Management.

The major activities of the sections are:

- schedule, prepare and coordinate agendas, reports, and minutes for each Commission, Committee of the Whole and subsidiary company meeting
- secure proposal and public tender documents and arrange for appropriate disclosure
- deliver mail in accordance with established schedules
- respond to Freedom of Information ("FOI") requests
- manage the storage, retrieval and destruction of Commission records

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: RECORDS MANAGEMENT</b></p> <p>Management should:</p> <ul style="list-style-type: none"> <li>- strengthen controls over the records management function, especially for follow-up and destruction of records</li> </ul>	<p><u>Records Management Controls</u>            For the 2011 Annual Destruction program a request has been made of the Records Centre to provide specific box numbers (not totals) to facilitate an internal follow-up by TTC records staff to determine if the box is charged-out or if has been improperly shelved at the Records Centre.</p> <p>Two hundred of the 333 charged-out boxes have been reconciled as of June 2011. Investigation ongoing of status of boxes reported by the City as "not found" during the Annual Destruction program.</p>	<p><u>December 2011</u>            All items have now been investigated and reconciled.</p>	<p>Implemented</p>	<p>December 2011</p>

**DEPARTMENT:** MATERIALS & PROCUREMENT  
**REPORT:** PURCHASING AND SALES – File No.: 11-55064  
**DATE:** JUNE 2011

**DESCRIPTION:** The 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 TTC.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: PURCHASING</b></p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>- implement supervisory review or “spot check” process for purchases below \$10,000, and</li> <li>- ensure records retention requirements are adhered to.</li> </ul>	<p>In 1997 the procedures for Purchasing and Sales (P&amp;S) were changed regarding these types of informal purchases and the files were no longer sent to storage, rather they were to be kept by the Buyers for up to one year and then destroyed. The reason for this change was the cost of retaining these files and the fact they were rarely if ever retrieved from storage.</p> <p>On a going forward basis P&amp;S will ensure that all files for purchases regardless of value will be retained in accordance with the retention by-law. In May 2011, a new purchasing system was implemented in P&amp;S and the information regarding these purchases can now be stored in the system at no additional cost.</p> <p>In addition, P&amp;S supervisors will conduct file reviews on a monthly basis to ensure the Buyers are carrying out the work in accordance with procedures/policies and report on the results. The new process was put in place on September 30, 2011.</p> <p>Responsibility: Director – Purchasing and Sales</p>		Implemented	October 2011



# **AUDIT RECOMMENDATIONS**

**UNDERWAY**

**BRANCH:** CGM'S OFFICE  
**DEPARTMENT:** HUMAN RESOURCES - EMPLOYEMENT SERVICES, AND PLANNING AND DEVELOPMENT  
**REPORT:** HUMAN RESOURCES - EMPLOYEMENT SERVICES, AND PLANNING AND DEVELOPMENT – File No.: 09-10013  
**DATE:** JANUARY 2011

**DESCRIPTION:** The Human Resources Department is composed of seven sections and reports to the Chief General Manager's Office. This audit focused on two of the sections: Employment Services, and Planning and Development. The major activities of these sections are to:

- ensure that the TTC is staffed with qualified individuals through the implementation of various recruitment programs and outreach initiatives in a manner that is in accordance with established policies, procedures and departmental requirements and/or training schedules
- provide relevant and quality training, and career development opportunities for all employees in the achievement of the TTC's organization goals and objectives.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #5: MANAGEMENT INFORMATION SYSTEM</b>            Management should ensure that management information systems provide useful, cost-effective and timely information for administering training programs and monitoring EPA completion.</p>	<p>Current systems allow management the ability to attain statistical reporting, with some limitations. Some of this reporting is available through manual processes, and as a result, efficient reporting is not available. This would require a corporate HRIS system that can be utilized by all departments and supported and prioritized by senior management, Finance and ITS departments. There have been efforts in this regards in the past, however, due to competing priorities, this issue has not received corporate funding. This finding is not under the control of the Human Resources Department.</p>	<p><u>December 2011</u>            Discussions will be held in 2012 with the Information Technology Services, Human Resources and Finance Departments to introduce SAP into the TTC. This is the system that is used by the City.</p>	<p>Underway</p>	<p>December 2012</p>

**BRANCH:** OPERATIONS  
**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
<p><b>FINDING #1: MAINTENANCE</b></p> <p>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>	<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 1<sup>st</sup> 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 3<sup>rd</sup> quarter 2007.</p>	<p>Underway</p>	<p><del>December 2007</del>  <del>September 2008</del>  <del>December 2008</del>  <del>December 2009</del>  <del>December 2010</del>  <del>December 2011</del>  December 2012</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p>FINDING #1: MAINTENANCE (Cont'd.)</p>		<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 3<sup>rd</sup> 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 2<sup>nd</sup> 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><u>December 2008</u></p> <ul style="list-style-type: none"> <li>- Hillcrest Group – Complete with all history Paging, Portable and Mobile Equipment to be moved into MAXIMO, from FoxPro, by Year End 2008</li> <li>- Wayside Group – Complete</li> <li>- Subway Security Group – Complete with Camera Equipment to be reviewed by June 2009</li> <li>- Antenna Group – Complete with PM and Work Methods to be reviewed with implementation date June 2009</li> <li>- Transit Control Technicians – Complete with scheduled review to commence January 2009</li> <li>- CIS Group – Review scheduled January 2009 with implementation June 2009</li> <li>- SCADA Group and Cable Group – Review scheduled June 2009 with completion date December 2009</li> </ul> <p><u>June 2009</u> In Progress.</p> <p><u>December 2009</u> Five areas remain to be completed.</p> <p><u>June 2010</u> Three areas remain to be completed.</p> <p><u>December 2010</u> Progressing toward 2011 completion.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Progressing as planned.</p>		

**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
<p><b>FINDING #1: SAFETY MANAGEMENT</b>  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:</p> <ul style="list-style-type: none"> <li>- A formal operating procedure describing the departmental quality assurance process should be developed, including the planning process, review methodologies, documentation requirements, and progress reporting;</li> </ul>	<p>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.</p> <p>Responsibility: General Superintendent – Track &amp; Structure</p>	<p><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.</p> <p><u>December 2009</u>  Progressing as planned.</p> <p><u>June 2010</u>  Staff have been approved through budget, but given other urgent staffing needs no hires to date. End date has been revised to June 2011.</p> <p><u>December 2010</u>  In conjunction with the Safety Department, work is underway developing the first element of the plan, ie., Work Planning. However, progress is slower than originally anticipated due to a lack of dedicated resources. Time is required to both author and validate each item. The estimated completion date has been extended to January 2014.</p>	<p>Underway</p>	<p><del>January 2010</del>  <del>January 2011</del>  <del>January 2012</del>  January 2014</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: SAFETY MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>- Controls to ensure adherence to safety critical operating procedures and related documentation requirements need to be strengthened.</li> </ul>		<p><u>June 2011</u> Progressing as planned.</p> <p><u>June 2009</u> 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.</p> <p><u>December 2009</u> Progressing as planned.</p> <p><u>June 2010</u> Staff have been approved through budget, but given other urgent staffing needs no hires to date. End date has been revised to June 2011.</p> <p><u>December 2010</u> Staff resources have been hired and the review of documentation will commence in January 2011. The review is expected to be completed by January 2012.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Progressing as planned.</p>		

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: SUBWAY/SRT TRACK MAINTENANCE</b></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"> <li>- Staff supervision should be active and visible across all shifts;</li> <li>- The administrative workload of front-line supervisors needs to be reviewed.</li> </ul>	<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> 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> <p><u>December 2009</u> Progressing as planned.</p> <p><u>June 2010</u> Progressing as planned.</p> <p><u>December 2009</u> Progressing as planned.</p> <p><u>June 2010</u> Progressing as planned.</p> <p><u>December 2010</u> The alignment of crews and supervisory resources against specific tasks has been completed.</p> <p>Written expectations have been developed and provided to front-line Forepersons. Written expectations for Supervisors and Roadmasters will be completed by January 2012.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Due to recent change in reporting relationship, development of expectations for Roadmasters within the Sections has been delayed. Expect completion by June 2012.</p>	<p>Underway</p>	<p><del>January 2010</del> <del>January 2011</del> <del>January 2012</del> June 2012</p>



RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: SUBWAY/SRT TRACK INSPECTIONS</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>- Reviewing all track inspection operating procedures and clarifying frequency standards, responsibilities and documentation requirements;</li> <li>- 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.</li> </ul>	<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 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&amp;S Department. Much of the rudimentary functionality of a basic Computerized 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><u>June 2010</u> A consultant has been hired to review track standards as the starting point. Early work suggest significant work needs to be completed prior to advancing to other stages of the peer review. New completion date of January 2012.</p> <p><u>December 2010</u> Progressing as planned.</p> <p><u>June 2011</u> Progressing as planned.</p>	<p>Underway</p>	<p><del>December 2010</del> <del>January 2012</del> October 2012</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #4: STRUCTURE MAINTENANCE</b>  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:</p> <ul style="list-style-type: none"> <li>- Operational control measures should be reviewed to ensure they are accurately calculated and meaningful.</li> </ul>		<p><u>December 2011</u>  Review of the current track standards and implementation of changes to the track inspection process is ongoing but is taking longer than originally expected. New expected completion date of October 2012.</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><u>June 2010</u>  Several important processes continue to be reviewed. Current work focuses on process with E&amp;C Branch. Work under this item was significantly underestimated in terms of time and effort required.</p> <p><u>December 2010</u>  The Structure Maintenance Section has been reorganized so as to streamline and improve communications work flow between inspection, engineering and execution groups. The effectiveness of processes involving third party departments and stakeholders continue to be reviewed. Work with the E&amp;C Branch on the Tunnel Rehabilitation Projection is currently underway, with meaningful metrics now in place.</p> <p><u>June 2011</u>  A delay in hiring key staff has slowed progress. Item will be closed off by January 2012.</p>	Underway	<del>January 2010</del> <del>January 2011</del> <del>January 2012</del> January 2013

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
		<p>December 2011  Progress delayed in 2011 due to  dedicated staff shortages. Work to  resume in 2012. Item to be closed off  by January 2013.</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><b>PREVIOUS AUDIT ISSUE: MANAGEMENT INFORMATION SYSTEMS</b></p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>- Service Level Agreements are established with S/E/C;</li> <li>- S/E/C confirms sufficient resources are available and that maintenance and support agreements will be in place when the warranty period expires;</li> <li>- Security over remote access is established by implementing dial back security;</li> <li>- The required network and communication monitoring tools are identified and implemented;</li> <li>- Disaster Recovery and Business Continuity Plans are developed and implemented; and</li> <li>- Consider the creation of a self contained off site backup facility.</li> </ul>	<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).</p> <p>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.</p> <p>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>	<p>Implemented</p>	<p><del>December 2006</del>  <del>June 2007</del>  <del>December 2007</del>  <del>December 2008</del>  <del>December 2010</del>  December 2011</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
	<p>The TCC LANs have network and communications monitoring tools in place such as HP Openview, Router diagnostics, Simple Network Management Protocol (SNMP) monitoring, Alchemy. Additionally, SEC is improving these tools as the systems continue evolving and this will continue during the life of the TCC due to product upgrades, obsolescence and replaced software/hardware. Two (2) Fluke Network Analyzers were procured and training was provided for the Technicians who will use them. Interim procedures to be provided November 30, 2005.</p> <p>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>January 2010</u> New network equipment and basic monitoring tools were installed in 2009. More advanced monitoring tools to be installed and configured in 2010.</p> <p><u>December 2010</u> Maintenance agreements set up for SCADA, ICS, CSS and Network systems. Capital budget for system upgrades established. Plans for individual system upgrades ongoing. Secure remote access provided through SSL VPN. Network monitoring system installed. Waiting for back up TCC.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> The back-up Transit Control Centre has been completed, furnished and ready for use. Commissioning should finalized by year-end.</p> <p><u>June 2007</u> The Network Maintenance Plan and Procedures are in place; however they have not been documented into an SOP.</p> <p><u>December 2007</u> The completion date has been extended to December 2008.</p> <p><u>June 2008</u> Progressing towards completion.</p> <p><u>December 2008</u> Network re-design and equipment replacement is in progress. Existing equipment is no longer supported by manufacturer.</p> <p><u>June 2009</u> No change in status.</p> <p><u>December 2009</u> No change in status.</p>	Underway	<del>December 2006</del> <del>June 2007</del> <del>December 2007</del> <del>December 2008</del> <del>December 2009</del> <del>December 2010</del> <del>March 2011</del> <del>December 2011</del> June 2012

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
	<p>Although not formally documented, SEC has provided for disaster recovery by means of back-up software and spare hardware, and having existing procedures from TCC contractors and/or subcontractors for reloading, installing and checking it. It remains for these procedures to be documented as Standard Operating Procedures and this is planned to be completed before warranty expiry. 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>January 2010</u> New network equipment and basic monitoring tools were installed in 2009. More advanced monitoring tools to be installed and configured in 2010.</p> <p><u>December 2010</u> Solar Winds network monitoring system installed. Preparation of operating procedures ongoing.</p> <p><u>June 2011</u> Sr. Design Engineer – Communications Engineering advises the network monitoring system will be commissioned and operating procedures for it will be developed by year end.</p> <p><u>December 2011</u> Progressing as planned.</p> <p><u>June 2007</u> An interim back-up site has been identified for St. George Station.</p> <p>The final Disaster Recovery Procedure will not be in a proper format until a proper back-up control centre is constructed.</p> <p><u>December 2007</u> There is budget approval at this time. Process to start in 2008.</p> <p><u>June 2008</u> The Transit Backup Control Centre project begins in 2009 but is not planned to be operational until 2011.</p> <p><u>December 2008</u> No change in status.</p> <p><u>June 2009</u> No change in status.</p> <p><u>December 2010</u> No change in status.</p> <p><u>June 2010</u> No change in status.</p> <p><u>December 2010</u> No change in status</p>	Implemented	<p><del>December 2006</del> <del>June 2007</del> <del>December 2007</del> <del>July 2008</del> December 2011</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: SECURITY – TRANSIT CONTROL CENTRE</b></p> <p>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>	<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 &amp; Procedures</p>	<p><u>June 2011</u> No change in status.</p> <p><u>December 2011</u> The back-up Transit Control Centre has been completed, furnished and ready for use. Commissioning should be finalized by year-end.</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> <p><u>December 2009</u> Transit Control Protocol PD-11 has been completed. Procedures are in place with all TWP workers in the security "POD".</p> <p><u>December 2009</u> Sr. Design Engineer – Communications Engineering advises that the security system is in need of an update prior to the "MAG" lock installation on the north stairwell door. He anticipates closure on this issue by June of 2010.</p> <p><u>June 2010</u> Sr. Design Engineer – Communications Engineering advises that Installation is behind schedule due to resource limitations. A work order through M&amp;P has been completed and out for tender; anticipate having the system upgraded by December of 2010</p> <p><u>December 2010</u> Contract awarded for security system upgrade. Expected completion December 2010. Installation of lock on north stairwell door to follow.</p>	<p>Underway</p>	<p><del>March 2009</del> <del>December 2009</del> <del>June 2010</del> <del>December 2010</del> <del>June 2011</del> December 2011 June 2012</p>

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: COMPUTER SOFTWARE AND HARDWARE SECURITY</b></p> <p>Management should establish appropriate system access procedures that include password rules requiring minimum length, construction, complexity and periodic changes.</p>	<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 &amp; Train Control Engineering</p>	<p><u>June 2011</u> Sr. Design Engineer – Communications Engineering advises that some minor design work had to be completed. Next step is to coordinate with the Plant section to make modifications to the door. Carpenters &amp; Electricians will implement &amp; expected completion by the year end.</p> <p><u>December 2011</u> Sr. Design Engineer – Communications Engineering advises design work has been completed, co-ordination between the Carpenters &amp; Electricians has taken place and expected completed date is Spring of the new year.</p> <p><u>December 2009</u> Rules to inform minimum password links have been implemented on the SCADA, the CSS and ICS systems. A policy on password administration is being developed.</p> <p><u>June 2010</u> Progressing towards completion.</p> <p><u>December 2010</u> Development of access related policies is ongoing.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Sr. Design Engineer – Communications Engineering advises Security Plan is being developed; completed date is projected as June of 2012.</p>	<p>Underway</p>	<p><del>September 2009</del> <del>December 2010</del> <del>December 2011</del> June 2012</p>



RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #4: OTHERS</b></p> <p>Management should:</p> <ul style="list-style-type: none"> <li>- Ensure that the requirement for ICS sign-in by subway operators and guards are complied with.</li> </ul>	<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>	<p><u>June 2010</u> Progressing towards completion.</p> <p><u>December 2010</u> Ongoing programs and follow-ups have been completed. With the implementation of the new Toronto Rocket trains in the spring 2011; all operators must log on correctly and follow up.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Importance of logging on reviewed during TR Training and Recertification training. Ride Slip discussions taking place on a consistent basis. Rail Transportation will continue to perform random checks to ensure compliance.</p>	<p>Underway</p>	<p><del>December 2010</del> <del>December 2011</del> December 2012</p>

DEPARTMENT: RAIL TRANSPORTATION  
 REPORT: STATION OPERATIONS/COLLECTORS – File No.: 09-30032  
 DATE: NOVEMBER 2010

DESCRIPTION: Station Operations/Collectors is responsible for the sale of fare media and collection of fares at subway and SRT stations. The section is also responsible for managing the staffing, opening and closing of subway stations, monitoring passenger traffic flow through the stations, performing station inspections and ensuring that station safety and security measures are in place and operating.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: COLLECTORS</b></p> <p>Management should ensure that the screening process to fill Collector vacancies addresses the skills required to handle cash and fare media.</p>	<p>Management strongly agrees with the requirement to have a screening program in place to ensure that employees wishing to become collectors have adequate mathematical and customer relation skills to succeed in the position. Divisional management is working with the Training Department to develop these screening criteria.</p>	<p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> A proposal was put forward to Human Resources for 2010/11 negotiations. This proposal has not moved forward and requires Human Resources to talk with the Union as it affects the Collective Agreement, specifically Article 1 Section 42. System Seniority Transfers page 91, and Article 5, section 5. Eligibility, page 134. In addition, the proposed screening process will affect the "Duty to Accommodate" guidelines which HR needs to advice of the legal implications.</p>	<p>Underway</p>	<p><del>December 2011</del> December 2012</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: ADMINISTRATION</b></p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>- The activities of the Supervisors address the higher priority duties, and</li> <li>- The pay for Clerks and Supervisors is compliant with ESA with respect to eating periods.</li> </ul>	<p>Tracking of how Supervisors are expending their time is ongoing at the Division to ensure that priority issues are being adequately addressed.</p> <p>Divisional clerical staff will be moved to either an unpaid 30 minute lunch break or two 15 minute breaks.</p>	<p>We continue to monitor and direct the activities of our Supervisors. YTD measures show Supervisors time use categorized as follows:</p> <ol style="list-style-type: none"> <li>1. Travel to call</li> <li>2. Detail by Transit Control</li> <li>3. Collector Visits</li> <li>4. Administrative work</li> <li>5. Funds Counts</li> <li>6. Divisional Detail (CSC's)</li> <li>7. Booth sitting</li> <li>8. Station/Booth checks</li> <li>9. Fare Disputes</li> <li>10. Special Events</li> <li>11. Clerical work</li> <li>12. Health &amp; Safety</li> </ol> <p>Human Resources is currently in discussion with Operations on the break issues for Supervisors including Transit Control. Clerical schedules will have to be adjusted by 30 minutes per day to allow for formal breaks. This also requires discussions with HR and the Union. Currently, there are no formal break periods for Unionized Divisional Clerks, commission wide.</p>	<p>Underway</p>	<p><del>December 2011</del> Ongoing</p>

**DEPARTMENT:** RAIL CARS & SHOPS  
**REPORT:** HARVEY SHOP – File No.: 09-30023  
**DATE:** FEBRUARY 2011

**DESCRIPTION:** The Shop performs vehicle overhaul on streetcar and bus vehicles and component overhaul for streetcar and subway vehicles. The Shop also fabricates various parts and assemblies for other departments and provides maintenance services for garages and carhouses.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: SAFETY TRAINING</b>  Management should ensure that all mandatory training should be identified and scheduled to ensure all Forepersons and hourly workers have the required training to fulfill their responsibilities.</p> <ul style="list-style-type: none"> <li>- The Standard Operating Procedure is reviewed and the training needs of the Forepersons updated so that all the safety critical training required by their employees is also identified as part of their training requirements.</li> </ul>	<p>Consequent to the amalgamation of the previously Rail Cars &amp; Shops and Streetcars Department under Rail Cars &amp; Shops, Mandatory Training/Certification &amp; Orientations for Rail Cars &amp; Shops Employees Procedure ROP-SP-26-4 is to be revised and reviewed to include all RC&amp;S locations and identify all safety critical training requirements.</p>	<p><u>June 2011</u>  Progressing as planned.</p> <p><u>December 2011</u>  Increased scope to cover both Training Department courses and Rail Cars &amp; Shops SOP Training has delayed the completion date.</p>	<p>Underway</p>	<p><del>December 2011</del>  May 2012</p>
<p><b>FINDING #4: TECHNICAL SUPPORT</b>  Management needs to develop processes to ensure that all work completed by technical staff is documented and reviewed.</p> <ul style="list-style-type: none"> <li>- A system report between PICS and MMS is developed to compare the purchase orders issued to what has been received and acknowledged. Production Control should follow-up with Inventory Management on any variances.</li> </ul>	<p>A system report will be developed by the Superintendent – Rail Cars &amp; Shops six months after the introduction of Industrial &amp; Financial Systems (IFS)</p>	<p><u>June 2011</u>  Progressing as planned.</p> <p><u>December 2011</u>  New M&amp;P IFS Materials System has not provided automated identification of failed motors of an age for ET analysis. A RC&amp;S SOP to be prepared that requires age determination of motors and any ET analysis to be documented prior to closing a Work Order.</p>	<p>Underway</p>	<p><del>October 2011</del>  June 2012</p>

**BRANCH:** EXECUTIVE BRANCH  
**DEPARTMENT:** INFORMATION TECHNOLOGY SERVICES  
**REPORT:** PROJECT MANAGEMENT & QUALITY ASSURANCE – File No.: 09-50033  
**DATE:** DECEMBER 2006

**DESCRIPTION:** The Project Management section is responsible for managing, coordinating and controlling the activities in the delivery of IT Services Capital projects. The Quality Assurance section is responsible for ensuring that Quality Reviews are planned, scheduled and performed on the basis of the status and importance of the processes and projects.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: INCONSISTENCIES</b></p> <p>Management should ensure:</p> <ul style="list-style-type: none"> <li>- Project plans are developed, reviewed, approved and regularly updated;</li> <li>- Project Change Requests are documented &amp; approved before the changes are implemented;</li> <li>- Project costs are reported timely and accurately.</li> <li>- There is consistency between the various policies and procedures documentation comprising the methodology and that these policies and procedures are regularly reviewed, verified for consistent application and updated accordingly.</li> </ul>	<p>All departmental documentation including the Project Management Methodology is scheduled for regular recurring reviews. In addition, commencing in 2004</p> <p>the department undertook an extensive initiative to consolidate the Project Management Methodology with System Development Life Cycle.</p> <p>This ongoing initiative (ARCI) has resulted in a dramatic reduction in project templates as well as other changes to project delivery methods. The Project Management Methodology was updated to reflect the new template requirements.</p> <p>A further update is scheduled for December 2010 to address the full changes resulting from this project delivery consolidation exercise.</p> <p>Responsibility: Director – Project Management</p>	<p><u>June 2010</u> Progressing on target.</p> <p><u>December 2010</u> Progressing on target.</p> <p><u>June 2011</u> We have essentially completed the ARCI portion of the methodology update. Work on the Requirements; Phase Review &amp; Feasibility portions are also underway. Meter Reading is being used as the conceptual pilot for agile development &amp; will include the outcome in the Methodology update. Current expected completion date for the Project Methodology update is December 2011.</p> <p><u>December 2011</u> The ARCI based Project Deliverables Catalogue and Project Deliverables Responsibility Assignment Guidelines have been completed and published. Work on the Requirements; Phase Review &amp; Feasibility portions has been delayed due to issues with acquiring the requirements management software tool. The implementation of the Meter Reading solution has been delayed due to changed business requirements. Implementation is scheduled for December 2011, with an assessment of the agile development methodology scheduled to be completed March 2012. Current expected completion date for the Project Methodology update is September 2012.</p>	<p>Underway</p>	<p><del>December 2010</del>  <del>July 2011</del>  <del>December 2011</del>  September 2012</p>

**DEPARTMENT:** PROPERTY DEVELOPMENT DEPARTMENT  
**REPORT:** PROPERTY DEVELOPMENT – File No.: 09-50080  
**DATE:** FEBRUARY 2010

**DESCRIPTION:** The Property Development Department is responsible for the administration and management of the TTC’s property, land development, retail leasing and commuter parking, and manages the operation of the Toronto Coach Terminal Inc.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #1: COMMUTER PARKING</b></p> <p>Management should ensure that:</p> <p>All the parking lots are reviewed for profitability and based on this a business plan is developed for each parking lot.</p>	<p>Management will review the profitability of each lot and based on this a ‘business plan’ will be developed for implementation to ensure an operationally effective and cost efficient commuter parking system. This is part of the preparation of the annual operating budget, long-term capital budget, and the reconciling/monitoring of same.</p>	<p><u>December 2010</u> Progressing as planned.</p> <p><u>June 2011</u> Progressing as planned.</p> <p><u>December 2011</u> Not completed yet.</p>	<p>Underway</p>	<p><del>September 2011</del> April 2012</p>

**DEPARTMENT:** GENERAL SECRETARY'S OFFICE  
**REPORT:** GENERAL SECRETARY'S OFFICE  
**DATE:** APRIL 2011

**DESCRIPTION:** The General Secretary's Office (GSO) is composed of two sections and reports to the General Manager/General Secretary of the Executive Branch. This audit focused on both of the sections: Corporate Secretariat/Mail Services, and Freedom of Information/Records Management.

The major activities of the sections are:

- schedule, prepare and coordinate agendas, reports, and minutes for each Commission, Committee of the Whole and subsidiary company meeting
- secure proposal and public tender documents and arrange for appropriate disclosure
- deliver mail in accordance with established schedules
- respond to Freedom of Information ("FOI") requests
- manage the storage, retrieval and destruction of Commission records

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #3: RECORDS MANAGEMENT</b></p> <p>Management should:</p> <ul style="list-style-type: none"> <li>- consider finding solutions to reduce the amount of records stored by TTC, e.g., project files maintained by the Engineering and Construction (E&amp;C) Branch</li> </ul>	<p><u>Solutions to Reduce the Amount of Records</u>            With upcoming changes to the TTC Records Retention By-Law, meetings with E&amp;C staff have resulted in some planned changes. For example, E&amp;C will now be removing Soil records from their project files. Follow-up training is also scheduled upon completion of the By-Law update and the requirement to file by record function will be a primary message. The biggest opportunity, however, for a reduction in textual records comes with the Electronic Records Management program currently being overseen by ITS (Information Technology Services Department). Sharepoint 2010 is active in Transit Expansion and TYSSE. The system is ultimately capable of calculation and managing retentions at file level, so the expectation is a reduction in printing and related demand for off-site storage.</p>	<p><u>December 2011</u>            The Electronic Document and Records Management System (EDRMS), identified as the most significant initiative to reduce the volume of physical records that have to be stored off-site, is in the development stages by the Information Technology Services (ITS) Department. The project will not come to fruition, pending full approvals, until 2013.</p>	<p>Underway</p>	<p>December 2013</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #4: MAIL DELIVERY SERVICES</b></p> <p>Management should ensure;</p> <ul style="list-style-type: none"> <li>- the vehicle used for the McBrien Building mailroom service delivery has appropriate protective safety features for mil parcels and packages.</li> </ul>	<p>Record Retention By-Law update is expected to be at Commission for approval in September 2011. Incorporation of updated Record Retention By-Law to current Sharepoint 2010 system can follow shortly thereafter. ITS' plans for extended roll-out of Sharepoint 2010 is expected to be complete by year-end.</p> <p>Vehicle Engineering is agreeable to providing the McBrien mail operation with a cargo van that would be suitable as an extended service vehicle. Vehicle Engineering advises that several cargo vans are scheduled for replacement so they will assign a new vehicle at that time. This action has the dual benefit of improving the McBrien Building mail operation carrying capacity and addressing the safety recommendation in the Audit report.</p>	<p><u>December 2011</u> The General Secretary's Office is still waiting for an extended service cargo van.</p>	<p>Underway</p>	<p>December 2012</p>



**DEPARTMENT:** INFORMATION TECHNOLOGY SERVICES  
**REPORT:** TECHNICAL SERVICES SECTION – File No.: 10-50034  
**DATE:** MAY 2011

**DESCRIPTION:** The Technical Services Section is one of five Sections within the Information Technology Services Department. The Section is responsible for managing the Commission’s general business computing technology architecture and infrastructure to ensure the availability of data, applications and infrastructure, and adherence to Information Services (IS) policies and Information Technology (IT) standards and provide technical support to all general business computing environments.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>PREVIOUS AUDIT ISSUE: DISASTER RECOVERY</b></p> <p>Internal Audit recommends that Management place priority on the capital project 7.1 ITS Services Disaster Recovery and strive for earlier completion than currently scheduled. While the project is in progress, interim measures should be taken to ensure the ability to recover client/server systems critical to Commission operations are put in place.</p>	<p>The Disaster Recovery Client/Server project work has been ongoing. Currently augmentation of the disaster recovery site at Hillcrest with regards to power, network re-architecture and disk capacity is being addressed and slated for completion by end of 2011. The action plan is being tailored to the current environment where needed, and the ITS Services Disaster Recovery procedures are being implemented. The Disaster Recovery Client/Server work currently being done involves a requirements analysis of any unidentified infrastructure components or processes, and future growth planning to ensure that a fully integrated Disaster Recover Centre is operational and that the risk of disruption to operations is minimized.</p> <p>Once the underpinning infrastructure services are in place, scheduled for the end of 2011, a review of recovery procedures and requirements for the additional business applications will be undertaken. This review will begin with IFS and DOSS as the initial priority applications. A schedule for the completion of disaster recovery services for these two applications will be complete in early 2012 with identification of funding requirements to continue expanding the client/server disaster recovery capabilities for the TTC.</p>		Underway	December 2012

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
	<p>Upon completion of this phase of the project, regular review and analysis of the disaster recovery components will be identified through the ongoing capital project 7.1 ITS Services Disaster Recovery. The Disaster Recovery Project includes recovery of systems that have been identified and does not include business continuity planning for the various lines of business.</p> <p>Responsibility: Chief Information Officer</p>			

**DEPARTMENT:** MATERIALS & PROCUREMENT  
**REPORT:** PURCHASING AND SALES – File No.: 11-55064  
**DATE:** JUNE 2011

**DESCRIPTION:** The 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 TTC.

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE/ACTION	FOLLOW-UP MANAGEMENT RESPONSE	STATUS	COMPLETION DATE
<p><b>FINDING #2: SYSTEM CONTRACT ADMINISTRATION</b></p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>- satisfactory documentation is obtained from the vendor which shows the actual catalogue pricing and the discount applied to allow complete and proper verification of all pricing, and</li> <li>- all SCAs, along with all cost centres have accurate and up-to-date catalogues for all items available to be purchased from each vendor.</li> </ul>	<p>Hansler is working on modifying their invoices to include the Manufacturers Name, Part number, if the items are on or off the shopping basket, and the respective discount(s) applied to the item(s) purchased or alternately, Hansler will be providing P&amp;S staff access to that information in their system. Hansler is now providing soft and hard copies of the most recent manufacturers published price lists which have been and continue to be distributed to all cost centers that use the contract. In addition, the SCA provided the contract pricing structure to the cost centers.</p> <p>Further, P&amp;S is now ensuring that all contractors provide up to date catalogues/price lists as required in the future so that pricing can be verified. In addition, P&amp;S will investigate to determine if all contractors can revise their invoicing to show actual catalogue pricing and the discount applied or to reflect how each item was priced (cost plus, price list less discount, etc.).</p> <p>Responsibility: Director – Purchasing and Sales</p>	<p><u>December 2011</u></p> <p>Hansler cannot modify their invoices as they use the same process for all customers limiting their ability to customize invoices for TTC. However, Hansler developed a customized TTC customer portal whereby TTC’s end user (Reconciliation Clerk &amp; Primary Order Control contact) &amp; SCA are able to view information related to pricing (i.e. shopping basket items, non-shopping basket items and manufacturer’s along with the respective discounts that apply) and or reconciling invoices in a timely and accurate manner. The portal is estimated to be in full operation by the end of January 2012.</p> <p>Hansler provided electronic version / copies of their most recent manufacturers published price list to TTC cost centres (via the SCA). Also, the SCA provided the contract pricing structure to these cost centres.</p> <p>Updated catalogues have been issued to all users for each applicable contract. P&amp;S will ensure contractors provide any future updated catalogues/price lists as required. P&amp;S are working with each contractor to either revise their invoicing to show actual catalogue pricing and respective discounts that apply and or are in discussions to have the contractors develop a customized portal (similar to Hansler) on the respective websites.</p>	<p>Underway</p>	<p><del>November 2011</del> January 2012</p>

