

TTC AUDIT COMMITTEE

REPORT NO. 3(b)

MEETING DATE: May 12, 2014

SUBJECT: AUDITOR GENERAL'S REPORT – TORONTO TRANSIT
COMMISSION – RESULTS OF FOLLOW-UP OF PREVIOUS
AUDIT RECOMMENDATIONS

ACTION ITEM:

RECOMMENDATION

It is recommended that the TTC Audit Committee approve the forwarding of the attached Auditor General's report to a regular meeting of the TTC Board for information and then to the Audit Committee of the City of Toronto.

FUNDING

This report has no effect on the TTC's capital or operating budgets.

BACKGROUND

At the December 19, 2012 Board Meeting, Jeff Griffiths, Auditor General, City of Toronto, provided a presentation on the results of an audit conducted in 2012 on Wheel-Trans operations entitled "Review of Wheel Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program". The Board received the presentation and report for information.

The report was forwarded to the TTC Audit Committee meeting on February 19, 2013 and to ACAT on February 28, 2013. The Advisory Committee on Accessible Transit (ACAT) was established as an advisory committee of the TTC to provide a mechanism for ongoing public participation in accessible transportation in the City of Toronto.



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Toronto Transit Commission – Results of Follow-up of Previous Audit Recommendations

Date:	April 17, 2014
To:	TTC Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's Office conducts an annual follow-up review of the implementation status of recommendations contained in previously issued audit reports. This report provides the follow-up results pertaining to recommendations in the audit report entitled "Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program."

The Wheel-Trans audit report contains 22 recommendations. The report was presented to the TTC Board at its December 19, 2012 meeting and to the TTC Audit Committee on February 19, 2013. This is our first follow-up review of the Wheel-Trans audit.

Of the total 22 recommendations, nine recommendations were determined to be fully implemented and the remaining 13 recommendations were partially implemented. We recognize that certain of the audit recommendations require substantial changes to TTC's current policies and practices and consequently full implementation of these recommendations will require a longer timeframe.

RECOMMENDATION

The Auditor General recommends that:

1. The TTC Audit Committee receive this report for information and forward the report to the TTC Board.

Financial Impact

The recommendation in this report has no financial impact.

DECISION HISTORY

The Auditor General conducts an annual follow-up process to determine whether management has taken appropriate action to implement recommendations contained in previously issued audit reports. The follow-up process is part of the Auditor General's Annual Work Plan.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Auditor General's follow-up review process requires that management provide a written response on the implementation status of each recommendation contained in audit reports. Where management indicated that a recommendation was not implemented, audit work was not performed. For those recommendations noted by management as implemented, audit staff conducted additional analysis and testing, and reviewed relevant information to verify management assertions.

Our verification is based on audit work conducted during the follow-up period usually between March and April each year. For recommendations verified as fully implemented by audit staff, no further work will be conducted on those recommendations in subsequent audit follow-up cycles. Ongoing implementation and maintenance of audit recommendations, such as policy and procedure enhancements or improved controls, will rely on management's continuous efforts beyond the audit follow-up process. The Auditor General may decide to initiate a new review on subject matter previously audited.

COMMENTS

Table 1 outlines our current assessment results pertaining to the implementation status of recommendations in the 2012 Wheel-Trans audit report.

Table 1: Results of the Current Follow-up Review

Report Title and Date	Total	Results of Current Review		
		Fully Implemented	Not Fully Implemented	Not Applicable
Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program (December 6, 2012)	22	9	13	-
Total	22	9	13	-

Of the 22 recommendations in the audit report, 9 recommendations were assessed as fully implemented. The remaining 13 recommendations were partially implemented. A number of these outstanding audit recommendations require substantial changes to TTC's current policies and practices and consequently full implementation of these recommendations will require a longer timeframe.

Fully implemented recommendations are listed in Attachment 1. Recommendations not fully implemented, along with management's comments and action plan, are listed in Attachment 2. The outstanding recommendations in Attachment 2 will be reviewed in each future year until they are determined to be fully implemented.

A brief review of the nine fully implemented recommendations and the resulting improvements and cost savings are provided below.

Recommendation 7

Recommendation 7 in the audit report relates to the need for maintaining an up-to-date Wheel-Trans registrant database, and identifying and canceling inactive passes in a timely manner in order to reduce the risk of passes being used by non-eligible persons. In addressing this recommendation, Wheel-Trans staff implemented new system procedures to automatically change customer status from "active" to "in-active" when a trip has not been booked over 12 consecutive calendar months. Procedures are also in place to re-activate a customer status when needed. According to staff, as a result of the new automated procedures, the number of active registrants has decreased by 35 per cent from 47,787 in December 2012 to 30,818 in March 2014.

Recommendation 12

In 2011 TTC incurred approximately \$1.9 million in overtime payments to Wheel-Trans bus operators. Recommendation 12 directs staff to take steps to reduce the level of overtime. In response to this recommendation, staff efforts to maintain adequate staffing levels have reduced overtime and further improved attendance. Overtime costs have decreased by 33 per cent between 2012 and 2013 resulting in a reduction of approximately \$707,000 in 2013 overtime expenditures.

Recommendation 13

At the time of our 2012 audit we noted an increasing trend in the Wheel-Trans preventable bus collision rate between 2009 and 2011. We recommended that staff take steps to reduce the bus preventable collision rate. In addressing this recommendation, staff implemented a poster campaign to increase bus operator awareness of potential accident situations. In addition, a more extensive operator refresher training course is being implemented in 2014. As the enhanced training is being implemented in 2014, the resulting benefits in lowering the preventable collision rate may not appear until the end of 2014 or later. However, based on management actions to address this recommendation, recommendation 13 is considered fully implemented.

Recommendation 14

At the time of our 2012 audit, a number of Wheel-Trans customers indicated problems in their trip routing schedules. These problems could have been a result of Wheel-Trans newly acquired computer system at the time. We recommended staff monitor and refine the new route scheduling system.

Staff reported during our 2014 follow-up review that they have undertaken a number of measures to improve route scheduling including adjusting for rush hour travel time, creating and adjusting numerous landmarks, and updating the network map. We have also verified that procedures are in place for bus operators to report route problems encountered during service delivery.

Recommendation 16 to 20

At the time of our 2012 audit, both the accessible and sedan taxi contracts were due for expiry by the end of 2013. The audit provided five recommendations to improve the contracted taxi service procurement process, reduce contracted costs and better protect taxi driver rights. At the time of our 2014 recommendation follow-up process, a new accessible taxi service contract has been issued to four companies. The RFP for the sedan taxi service has been issued however the contract has not yet been awarded.

Based on information from TTC staff and the RFP documents, we determined that all five recommendations pertaining to contracted taxi services have been fully implemented. As a result of implementing audit recommendations, TTC has realized approximately \$2.1 million in annual cost reduction related to accessible taxi contracts, as well as \$250,000 annual cost savings from eliminating the contractor bonus entitlement in both the accessible and sedan contracts. Cost savings, if any, from the new sedan taxi contract are not known at the time of this report as the sedan contract has not yet been awarded.

Next Steps

The results of this follow-up review will be included in a consolidated report to the City's Audit Committee in June 2014. The consolidated report presented to the City's Audit Committee will include a summary of our review of outstanding recommendations for all City Agencies and Corporations.

CONTACT

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SIGNATURE



Jeff Griffiths, Auditor General

13-AAS-05

ATTACHMENTS

Attachment 1: Toronto Transit Commission, Audit Recommendations – Fully Implemented

Attachment 2: Toronto Transit Commission, Audit Recommendations – Not Fully Implemented

**Toronto Transit Commission
Audit Recommendations – Fully Implemented**

Report Title: Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program

Report Date: December 6, 2012

Recommendations:

- (7) The Commission request the Chief Executive Officer to develop and implement procedures to maintain an up-to-date Wheel-Trans registrant database. Steps should also be taken to systematically identify and cancel inactive passes in a timely manner.
- (12) The Commission request the Chief Executive Officer to monitor the extent of overtime incurred by Wheel-Trans bus operators and where possible steps be taken to reduce the level of overtime.
- (13) The Commission request the Chief Executive Director to continue to monitor and where possible steps be taken to reduce Wheel-Trans bus preventable collision rate.
- (14) The Commission request the Chief Executive Officer to monitor and refine the Wheel-Trans route scheduling system to improve efficiency. Ongoing monitoring should include processes to encourage customers and bus operators to report inefficient route scheduling for further investigation.
- (16) The Commission request the Chief Executive Officer to ensure that all future Requests For Proposal for Wheel-Trans contracted taxi services are designed to seek competitive bidding on price components as well as non-financial factors.
- (17) The Commission request the Chief Executive Officer, in developing future Request For Proposal for Wheel-Trans contracted accessible taxi services, to ensure that the monthly management fee is adequately structured to obtain the best overall value for the Commission.
- (18) The Commission request the Chief Executive Officer to take the necessary steps to enhance the procurement process in future acquisitions of Wheel-Trans contracted taxi services. Such steps should include but not be limited to:
 - a. Ensuring all terms and conditions in the Requests For Proposal and contract documents are reviewed for clarity and consistency;
 - b. Ensuring all concerns identified in the previous procurement process and contracts are addressed; and

- c. Retaining a Fairness Commissioner to oversee the entire procurement process, from finalization of the Requests For Proposal to the final award of the contracts.
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- (19) The Commission request the Chief Executive Officer, in developing future Requests For Proposal for Wheel-Trans contracted taxi services, to replace the bonus entitlement with a financial penalty clause to deter inadequate contractor performance or non-compliance with contract terms and conditions.
 - (20) The Commission request the Chief Executive Officer, in developing future Requests For Proposal for Wheel-Trans contracted taxi services, to incorporate requirements for contractors to inform drivers of their rights and responsibilities as prescribed in the contracts, and how drivers may report inappropriate contractor practices to Wheel-Trans.

ATTACHMENT 2

Toronto Transit Commission Audit Recommendations – Not Fully Implemented

Report Title: **Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program**

Report Date: **December 6, 2012**

No.	Recommendation	Management's Comments and Action Plan/Time Frame
1.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to explore various short-term options, including a free-ride program on a pilot basis, to encourage Wheel-Trans customers to use the accessible conventional transit system.	This item has not been implemented but options including a free ride program are being considered as part of a corporate integration plan. (see Item 002)

No.	Recommendation	Management's Comments and Action Plan/Time Frame
2.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to develop and implement a comprehensive plan for integrating Wheel-Trans customers into the accessible conventional transit system. Such an action plan should include but not be limited to: a. Identifying and addressing potential safety and service issues that can present barriers to Wheel-Trans customers in using the accessible conventional system; b. Education, communication and training programs for Wheel-Trans customers and transit passengers; and c. Customer service training to TTC staff with particular emphasis on assisting people with mobility difficulties.	TTC has begun the development of a corporate integration plan which includes all recommendations in a, b and c.
3.	The Commission request the Chief Executive Officer to expedite the planning and implementation of an eligibility classification system for Wheel-Trans services in accordance with requirements set forth in the Integrated Accessibility Standards Regulation made under the Accessibility for Ontarians with Disabilities Act.	The TTC intends to expedite the planning and implementation of an eligibility classification system well before the required January 2017 date.

No.	Recommendation	Management's Comments and Action Plan/Time Frame
4.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to review and enhance the Wheel-Trans eligibility assessment process and criteria to ensure that applicants' abilities to use the conventional transit system are objectively and credibly appraised. Steps to be considered should include but not be limited to: a. Requiring a medical or health certification regarding mobility conditions as part of the application process; b. Considering the merits and cost-effectiveness of incorporating functional evaluations into the eligibility assessment process; and c. Evaluating the effectiveness of the assessment criteria, scoring scheme, and threshold points for eligibility. The review should also take into consideration the process used by other providers throughout Canada and the United States.	With the exception of point a. (requiring a medical or health certification) TTC intends to review and enhance Wheel-Trans process in conjunction with Item #003. a. The issue of requiring a medical certificate was brought forth and discussed at the March 7, 2013 ACAT Wheel-Trans Operations Sub-Committee. The issue was brought forth in the March 28, 2013 ACAT Meeting where members voted unanimously to not support this Auditor General recommendation.
5.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to consider initiating a photo identification card program to applicants eligible for Wheel-Trans services.	The issue is to be placed on an upcoming ACAT Sub-Committee agenda. (Preliminary estimates suggests a upfront pay out would be approximately \$80,000 with an annual cost of \$20,000 thereafter)

No.	Recommendation	Management's Comments and Action Plan/Time Frame
6.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, give consideration to the establishment of a policy to discourage repetitive late cancellations and "no-shows" for Wheel-Trans eligibility assessment or appeal appointments.	A draft SOP is under review and will be put forth to ACAT at its next scheduled Operations Sub-Committee which is to occur in February 2014.
8.	The Commission request the Chief Executive Officer to review Wheel-Trans call center operations and call response capacity. Such review should include but not be limited to: a. Shortening reservation line operating hours to allocate more staff resources to the afternoon hours; b. Enhancing internet booking capacity by removing the address change and time booking restrictions; c. Dedicating more staff resources to the priority line to ensure timely call response; d. Addressing the high absenteeism rate among call center staff; and e. Consulting 311 Toronto on ways to improve Wheel-Trans call center response capacity and reduce staff absenteeism rate.	a. Seven (7) additional staff positions have been requested in the yet to be approved '14 Budget. b. Customers can now book for same-day rides and will soon be able to edit or add to their pre-registered destination addresses. c. A revised work schedule has been implemented to enhance response time. d. More rigorous efforts are being developed with HR. e. Completed 2013

No.	Recommendation	Management's Comments and Action Plan/Time Frame
9.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to review the Wheel-Trans policy regarding late cancellations and no-shows with a view to increasing its flexibility. Consideration be given to including formalized processes for customers to request re-consideration based on unusual circumstances.	The policy was brought forth and discussed in the March 7, 2013 ACAT Wheel-Trans Sub-Committee and before ACAT in their July 25, 2013 meeting. Staff presented a modification to the process which involved the issuance of a letter to customers alerting them of policy violations that reach a level of concern. The Sub-Committee made a recommendation that ACAT support the measure. Changes to the policy will be discussed further with ACAT.
10.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to consider developing procedures to identify and contact Wheel-Trans customers who consistently miss their scheduled trips to ensure they have a clear understanding of the pick-up and wait time rules.	Although the SOP is yet to be finalized an automated messaging protocol is in the process of being developed. This message will be sent to customers at their 1 st and 4 th late cancellation to remind them of the policy and hopefully prevent them from violating the policy.
11.	The Commission request the Chief Executive Officer, in consultation with the Advisory Committee on Accessible Transit, to consider adopting a more restrictive Wheel-Trans late cancellation and no-show policy after successfully implementing the four-hour cancellation allowance, and incorporating the provisions for re-consideration.	The policy has been reviewed and possible changes will be discussed with ACAT.

No.	Recommendation	Management's Comments and Action Plan/Time Frame
15.	The Commission request the Chief Executive Officer to re-assess the needs for the existing Wheel-Trans community bus routes, and cancel or develop alternate routes to ensure the services are cost efficient and effective.	TTC is currently assessing the routes and a report to the Board is to be presented in early 2014.
21.	The Commission request the Chief Executive Officer to develop and update Wheel-Trans standard operating procedures in a timely manner, including those relating to taxi contract administration and monitoring.	A total of 211 SOPs were reviewed or created since the issuance of the AG report. 78% have been completed while the remaining 22% are in the process of being completed.
22.	The Commission request the Chief Executive Officer to reduce the annual printing and mailing costs of Wheel-Trans quarterly newsletters and bulletins to customers. Consideration should also be given to allowing advertisements in the publications to generate revenue.	Newsletters distribution has been reduced from 4 per year to 3. Newsletter information will be available by email, via web and call-outs. Email-able version available in early 2014. Staff will seek feedback on other formats and provide if possible based on each individual needs. The suggestion to solicit advertising has been rejected.