STAFF REPORT
INFORMATION ONLY

TTC Audit Recommendation Performance Scorecard Report Update for the Period October 2014 to March 2015

Date:	September 11, 2015
To:	TTC Audit Risk and Management Committee
From:	Head of Audit

Summary

The "TTC Audit Recommendation Performance Scorecard Report" represents the TTC Audit Department's semi-annual reporting for the follow-up of audit recommendations. The "performance scorecard" report provides information on the progress status of the audit recommendations that have been presented to the TTC Audit Committee. Through the use of "traffic light" symbols to highlight positive progress, as well as the areas with difficulties in achieving the implementation target date, accountability for the implementation of the audit recommendations is monitored.

By using a performance scorecard report, the TTC Audit Department aims to improve transparency, accountability and monitoring of audit recommendation implementation target dates throughout the entire audit process.

Financial Summary
This report has no financial impact beyond what has been approved in the current year's budget.

Accessibility/Equity Matters
There are no accessibility/equity matters resulting from the adoption of this report.

Comments
The TTC Audit Department provides independent evaluations of the efficiency and effectiveness of control systems and operations, and recommendations for improvement.

The status of outstanding recommendations is reviewed with the appropriate management representative, and action taken to implement a recommendation is verified by standard audit procedures. The semi-annual report of the status of the implementation of recommendations has been updated and is presented as an individual agenda item to the TTC Audit and Risk Management Committee Meeting.

The covering period is from October 2014 – March 2015; all outstanding recommendations have been updated for this reporting period.

Contact

Joseph L. Kennelly, CPA/CA, CISA
Head of Audit
Phone: (416) 393-2030
E-mail: joseph.kennelly@ttc.ca

Attachment

TTC Audit Recommendation Performance Scorecard Report Update for the Period October 2014 to March 2015

TORONTO TRANSIT COMMISSION

TTC AUDIT RECOMMENDATION PERFORMANCE SCORECARD REPORT

UPDATE FOR THE PERIOD OCTOBER 2014 TO MARCH 2015

TTC AUDIT DEPARTMENT
Joseph L. Kennelly, Head of Audit
Phone: (416) 393-2030; Email: joseph.kennelly@ttc.ca

SEPTEMBER 2015

TABLE OF CONTENTS

Page No.

INTRODUCTION

The "TTC Audit Recommendation Performance Scorecard Report" represents the TTC Audit Department's semi-annual reporting for the follow-up of audit recommendations. Audit reports are not produced to simply point out what is wrong. Rather, audit reports are intended to provide meaningful recommendations to assist TTC management in achieving their objectives and identify opportunities that can improve the TTC's operations. The "performance scorecard" report provides information on the progress status of the audit recommendations that have been presented to the TTC Audit and Risk Management Committee. Through the use of "traffic light" symbols to highlight positive progress, as well as the areas with difficulties in achieving the implementation target date, accountability for the implementation of the audit recommendations is monitored.

The TTC Audit Department recognizes that corporate risks can change over time due to a number of events and various reasons, such as, organizational structure changes, introduction of new processes that reduce previous risks, or risks may no longer be considered high or present anymore. Therefore, the report has a section that allows flexibility to remove recommendations that have become outdated or are no longer relevant. When a recommendation has been closed or not implemented, the reasons or an explanation will be provided that must meet acceptable criteria for the closing or not implementing of the audit recommendation. The final decision as to when an audit recommendation is closed and removed from the report remains with the TTC Audit Department.

We also recognize that target dates for completing recommendations can slip over time and dates can be deferred. When a recommendation target date is not met, a summary will be provided in the "Areas for Management Attention" section of this report advising of the reason for the missed target date along with management's action plan to get the recommendation back on schedule or an explanation for revising the target date.

By using a performance scorecard report, the TTC Audit Department aims to improve transparency, accountability and monitoring of audit recommendation implementation target dates throughout the entire audit process.
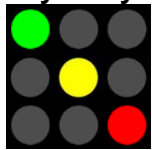
TTC AUDIT RECOMMENDATIONS SUMMARY

Audit Report	Release Date	Beginning of Period	New Additions	Completed/ Closed	End of Period
STRATEGY AND CUSTOMER EXPERIENCE GROUP					
Presto Card User Entity Controls	July 2014	2	-	1	1
CORPORATE SERVICES GROUP					
General Secretary's Office	July 2011	1	-	-	1
					-
INVESTIGATIONS, ANALYSES AND SPECIAL REVIEW					
Contract Management Review of Information Technology Technical Services Assistance Contracts	Feb 2015	-	1	1	-
Contract Management – Special Review (Part 1)	Feb 2014	1	-	1	-
Payroll Exception Reporting – Operator Overtime	May 2014	2	-	1	1
Disposal of Surplus Computers, Servers and Digital Photocopiers and Removal of Data from the Hard Drives	Feb 2015	-	1	-	1
Human Resources – Attendance Management – " At Work Program"	Feb 2015	-	3	-	3
	TOTALS	**6**	**5**	**4**	**7**

TTC AUDIT RECOMMENDATION PERFORMANCE SCORECARD

Audit Report	Release Date	Number of Recommendations	Number Implemented	Number Closed and/or Not Implemented	Number in Progress	Percent of Target Achieved (%)	Recommendations Due in Next 6 Months	On Time and On Target Status
CORPORATE SERVICES GROUP								
General Secretary's Office	July 2011	4	3	-	1	75%	1	🟢⚫⚫
STRATEGY AND CUSTOMER EXPERIENCE GROUP								
Presto Card User Entity Controls	July 2014	2	1	-	1	50%	1	🟢⚫⚫
INVESTIGATIONS, ANALYSES AND SPECIAL REVIEWS								
Payroll Exception Reporting – Operator Overtime	July 2014	8	6	1	1	90%	1	🟢⚫⚫
Contract Management Special Review (Part 1)	Feb 2014	1	1	-	-	100%	-	Completed
Contract Management Review of Information Technology Services Assistance Contracts	Feb 2015	1	1	-	-	100%	-	Completed
Disposal of Surplus Computers, Servers and Digital Photocopiers and Removal of Data from the Hard Drives	Feb 2015	1	-	-	1	-	1	🟢⚫⚫
Human Resources -- Attendance Management – "At Work Program"	Feb 2015	3	-	-	3	-	1	🟢⚫⚫

Key to Symbols

 On target

Target at risk at current trend

Off target

AREAS FOR MANAGEMENT ATTENTION

Audit Report	Recommendations	Revised Target Date	Management's Updated Response
There are no areas requiring management attention at this time other than those included in this report. (See Appendix – Summary of Outstanding Recommendations).			

AUDIT RECOMMENDATIONS CLOSED / NOT IMPLEMENTED

Audit Report	Recommendations	Target Completion	Reasons for Closing / Non-Implementation
CORPORATE SERVICES GROUP			
PAYROLL – EXCEPTION REPORTING – OPERATOR OVERTIME	**FINDING #1(b):** Management should establish clear accountability and authority for addressing departmental overtime issues, and develop meaningful performance monitoring measures.	CLOSED	**Operations:** Progress has been made with respect to improving data collection and reporting of overtime. New reports have been developed for use by management to monitor overtime levels; actions to eliminate payroll system 33 used for capturing operator payroll and overtime details have been completed; and conversion of workforce utilization tracking tools into a database is almost complete.
			There is still some work to be done to enhance the granularity of overtime reporting, and the roll-out of payroll system changes to other Transportation groups is still being discussed.
			Service Delivery: Similar to Operations, progress has been made with respect to the elimination of payroll system 33 for Operators. This has been pursued as a joint venture between Operations Control, Service Delivery Control and Payroll Accounting. Further improvements are planned to increase the granularity of overtime data produced and reported.
			A feasibility study is also being completed for the IT project that was initiated following an internal review of divisional clerical processes for filling open work and reporting payroll.

Audit Report	Recommendations	Target Completion	Reasons for Closing / Non-Implementation
			September 2015 – Operations Use of the Operator Database (STOP), which replaced the use of JBCS System 33 for collecting Operator/Collector costs, continues for regular reporting and analysis of overtime data. The system features increased granularity of activity costs over that of the former JBCS. The intended expansion of the use of this system to other areas within the Transportation Group (staff and clerical) has not happened due to: • Impending implementation of SAP and related uncertainty of the final solution for labour costing; and • Limited resources for implementation. Once the final scope of the SAP implementation is established, the status of this item will be updated.
			A new IT Project has been initiated whose purpose is to replace the largely manual reporting of Operator activity with a more automated process that will facilitate workforce utilization tracking similar to that implemented in the Subway.
			September 2015 – Service Delivery This initiative was started in 2013 but subsequently cancelled or held in abeyance by the ITS department, pending more resolution of the CAD/AVL and SAP scope work. As a result of a meeting with ITS in May 2015, this project is back on the ITS list of projects to investigate in coordination with CAD/AVL and SAP.
			AUDIT NOTE: **SAP is a corporate initiative; therefore this audit recommendation pertaining to the elimination of the JBCS system-33 will be included in the SAP implementation project. The TTC Audit Department is a member of the SAP Steering Committee over the duration of the project.**

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
CORPORATE SERVICES GROUP **COMMISSION SERVICES (GENERAL SECRETARY'S OFFICE)** **FINDING #3: RECORDS MANAGEMENT** Management should find solutions to reduce the amount of records stored by TTC.	Solutions to Reduce the Amount of Records With upcoming changes to the TTC Records Retention By-Law, meetings with EC&E staff have resulted in some planned changes, e.g., EC&E 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. 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-	December 2011 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. September 2013 Estimated date to complete SharePoint was revised to be December 2015 per ITS. The original date of December 2013 was an estimate at the time. May 2014 The updating of the TTC Records Retention By-law in consultation with Price Waterhouse Coopers (PWC), which forms part of the SharePoint project restructure is expected to be presented for Board approval by the summer of 2014. It will then need to be approved by City Council.	Underway	September 2015

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
	out of SharePoint 2010 is expected to be complete by year-end.	**March 2015** The updating of the TTC Records Retention By-law was approved by the TTC Board on June 22nd 2015. It will most likely be presented to the Government Management Committee on September 17, 2015, and then to City Council on September 30, 2015. **AUDIT NOTE:** **Status will be reviewed in six months' time.**		
INVESTIGATIONS, ANALYSES AND SPECIAL REVIEW **CONTRACT MANAGEMENT – SPECIAL REVIEW – PART 1** **FINDING #1:** Management should ensure that effective contract management controls are put in place including a segregation of duties control process.	Agreed. Plant Maintenance department to develop and implement SOP for contract administration.	The SOP (Standard Operating Procedure) for contract purchases (pre-award) is completed. The SOP for contract purchases (post award) is under development and is expected to be completed by the end of November 2014.	Completed	
		March 2015 The SOP (Standard Operating Procedure) for contract purchases (Pre- and post-award) are completed.		

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
CONTRACT MANAGEMENT REVIEW OF INFORMATION TECHNOLOGY TECHNICAL SERVICES ASSISTANCE CONTRACTS				
FINDING #1: Management should review the possibility of pursuing discounts not previously taken, and determine whether cost recoveries can be obtained**.**	Review of work assignments lasting more than one year where possible discounts could have applied resulted in discussions with two placement firms, The Ian Martin Group and Bevertec CST Inc. The TTC Legal Department's review of the GTA contract concluded that the provision of a discount is not a mandatory requirement, and the clause concerning the discount is loosely drafted, and therefore, it is almost non-enforceable. The TTC Materials and Procurement Department's review of the contract also concluded that there are no strong directives on how discounts should be applied, nor is there any stipulation of how they are displayed, if at all, on the submission or invoice. The Ian Martin Group advised, for the three contracts in question, that the discount rates had not been factored in at the beginning of the contract awards; therefore, discounts would not be applied retroactively. Bevertec CST Inc. was in agreement that a discount should have been applied for two contracts that extended beyond one year. TTC and Bevertec CST Inc. reconciled the hours and amounts, and as a gesture of goodwill, Bevertec CST Inc. will be issuing a cheque to the TTC.	The action is now considered complete and closed.	Completed	~~December 2014~~ March 2015

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
PAYROLL EXCEPTION REPORTING – OPERATORS OVERTIME **FINDING #3(b):** Management should conduct refresher training and skills development for staff to ensure accurate and complete review and analyses of overtime data.	Agreed. The former Operations Branch had only one position responsible for all Transit Operations budgeting. That was a recognized risk and with the split of Operations into two groups, Operations Control allocated an existing resource to prepare, monitor and report the budget on behalf of Subway Transportation in order to increase the knowledge base for Transit Operations budgeting/reporting and put more focus on Subway Operator workforce planning. The transfer of Transit Operations budgeting methodology and knowledge to the new incumbent did not go as smoothly as originally desired due to the heavy workload by both Operations and Service Delivery Control areas to recast and set up monitoring reporting tools for the 2013 Budget. Therefore, management acknowledges the finding and will work to document the budget processes by the end of 2014 so that future new incumbents do not face similar challenges or steep learning curves.	Overall, the experience of replacing payroll System 33 was positive but work still needs to be done to enhance the granularity of overtime. Success will depend on Divisional process changes for data capture and reporting, as well as, time code expansion. The current incumbent in Operations Control responsible for Subway Transportation completed divisional visits with both management and clerical staff to gain an understanding of processes, provide management with exposure to budgeting and cost control, and to get a better understanding of cost behavior to improve analysis/ control of expenses. **September 2015** Some documentation has been prepared specifically relating to the administration of the Operator Database (STOP). However, the overall budget process has not been fully documented due to lack of resources and the high workload of Financial Analysts. Management recognizes the need to address this lack of complete Budget Process documentation since knowledge is currently confined to very few people, and hence it presents a risk to the organization. However, this task will be addressed as time and resources become available.	On-going	~~End of 2014~~ End of 2016

APPENDIX – SUMMARY OF OUTSTANDING RECOMMENDATIONS

Recommendations		Follow up Management Response	Status	Completion Date
DISPOSAL OF SURPLUS COMPUTERS, SERVERS AND DIGITAL PHOTOCOPIERS AND REMOVAL OF DATA FROM THE HARD DISKS				
FINDING #1: Management should re-evaluate the process to erase the information on the digital photocopiers' hard drives taking into account the risk of loss of information. Since payment of $250 is made for the on-site removal of the hard drives including the data wiping and handover of the hard drives to TTC, but instead is done off site, a review of costs and payments should be re-evaluated.	Agreed. Due to the contract ending October 31, 2014 some action will be taken to address the current situation and will be reviewed for new contract. At the TTC's request, units are not dismantled on site due to location of hard drive and limited space at customer sites including rendering the unit unworkable and interrupt daily operations in critical locations prior to new unit arrival. We will implement with 4 Office to document all HDD serial numbers to correspond to unit during new deliveries and removal of surplus units for reconciliation prior to destruction.	No management updates.	Underway	

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
HUMAN RESOURCES-ATTENDANCE MANAGEMENT – "AT WORK PROGRAM" **FINDING #1:** Management should ensure that: • work location supervisory staff responsible for managing attendance are trained and knowledgeable in the documentation requirements of the "At Work Program" • attendance documentation for employees transferred to a new work location is promptly forwarded to the new work location.	Currently, the TTC offers to supervisory staff, managing the attendance of employees, several training sessions that are accessible through the Training Department's intranet site. There are pre-selected dates and times that employees can opt to attend. Alternatively, management have and continue to contact the Employee Relations section, Human Resources Department to request training on an ad hoc basis for management staff. On an ongoing basis, we review documents sent to us from our various client groups and provide feedback to regarding content. Also, our documentation templates are reviewed from time to time, updated and distributed, as required. We will work with clients to ascertain if a mandatory refresher training every two years, to applicable employees, would be appropriate and manageable, as it is our opinion this would provide further opportunity to communicate changes to the program and support, with a view of improving attendance. With respect to ensuring attendance documentation for employees is transferred to a new work location promptly there are currently two processes in place. Notification of an employee transfer	The Employee Relations Section recently commenced a significant overhaul of training courses. An updated course on managing the attendance of unionized staff is being developed for roll-out early Fall 2015. Nine (9) courses are currently scheduled. Upon conclusion of the courses scheduled for 2015, Employee Relations will review the reception to the revised course material and workload demand, Employee Relations will continue to review the feasibility and/or necessity of mandatory refresher training. Additionally, the Transportation Divisions have implemented a database system that enables the access of employee information via electronic soft copy. Therefore, related employee documents and files are transferred electronically to new work locations on the Friday prior to an employee's transfer date. The transfer of maintenance employees' files are made when the successful bid notices are distributed to the various work locations. Management or a designated representative is required to review the notices and transfer the employee file to the new work location prior to the employee's transfer date. This process is similar to the SSTB for the	On-going	November 2014

Recommendations	Initial Management	Follow up Management Response	Status	Completion Date
	occurs via a system seniority transfer bid (SSTB) or via documentation sent from the Workforce Analyst – Transportation to management at the work location. It is the job responsibility of the Transportation Division's Office Services Clerk (Stenographer) to transfer an employee's file to the Manager of an employee's new work location, under confidential cover, in advance of a new board period. Accountability for ensuring this process occurs would be with Division Management. There is opportunity in this process, for management to communicate to the new work location employee names that are under final warning or memoranda of settlement.	transportation work locations. Again, there is opportunity for management to communicate to the new work location employee names that are under final warning or memoranda of settlement. As a part of SAP introduction, there will be occasion to review the entire issue of employee files. In the intervening period, the above mechanisms, provided they are followed, ought to allow opportunity for adequate information sharing.		
FINDING #2: Management should ensure effective internal communication by: • developing a standard communication Protocol between the Human Resources Department and other TTC work locations areas outlining the type of information that can be shared between the areas • providing training information sessions on the attendance management process, including the roles and responsibilities of TTC employees and supervisory staff responsible for managing attendance	The audit report recommended developing a standard communication protocol between the Human Resources Department and other TTC work locations outlining the type of information that can be shared between the areas. Given the Employee Relations section restriction to employees' confidential medical information, the responsibility of providing advice and guidance related to absenteeism is shared between the Employee Relations section and the Occupational Health and Claims Management section, Human Resources Department. The OHCM section addresses managing disabilities, claims management, rehabilitation and re-employment initiatives. The OHCM section works	**September 2015** This workshop was rolled out as planned. Additional sessions took place with Maintenance forepersons, managers and supervisors. The audit report suggests providing training information sessions on the attendance management process. As previously noted, training is provided to supervisory staff dealing with attendance issues. In order for work locations to better understand the attendance management process and how this process requires interaction between the supervisory and OHCM staff, the OHCM section has agreed to attend Attendance training sessions with the objective to provide clarification of their role as it relates to the At Work Program and attendance management.	On-going	On-going

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
	with client groups to discuss and review employee absence related issues and job placements for employees with either temporary or permanent medical restrictions. The OHCM staff is receptive to accepting inquiries from work locations and responds accordingly. There are standard communication tools provided by the OHCM section as detailed below: • Fitness For Work reports that provide a return to work to regular duties following an absence that is greater than 10 days; • Gradual Return to Work (GRTW) report provides a schedule outlining an employee's restricted hours of work geared towards "work hardening" as well as physical restrictions, including anticipated timeframe of GRTW; and • Transitional Work report provides specific details of what the employee's restrictions are and the work location where the TWP will take place, including anticipated timeframe of TWP. We acknowledge the reluctance of work location supervisory staff to contact OHCM to obtain information as well the gap in transfer of transitional worker program information as referenced in the finding. Currently, we are working with OHCM section to address the misconceptions by work locations that when an employee is on an external TWP assignment (which is defined as an employee performing transitional work outside of his/her regular work			

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
	location on a temporary basis); there is no longer the requirement to manage the employee's attendance. In recognition of the reluctance and misconceptions, we consult with our client groups regularly and have also worked with both Operations and Service Delivery to develop workshops that will further clarify the attendance management program and roles and responsibilities. The first will be rolled out January 29, 2015. It is our belief this will assist in giving supervisory staff confidence in requesting relevant information. We will also explore other opportunities to communicate this information more broadly as well as ideas to further assist the work locations in managing TWP attendance.			
FINDING #3:				
Management should acquire the resources to obtain an attendance management information system to provide timely management reporting and enhance tracking of absence patterns and trends.	The recommendation related to the At Work Program is to acquire an attendance management information system to provide timely management reports and enhance tracking of absence patterns and trends. We do agree a more up-to-date system would enable more effective and efficient attendance management, and anticipate the current SAP project will provide an opportunity to review this recommendation to ascertain if it will be possible. The TTC's current attendance management system provides a variety of management reports and absence tracking. Although the system does not reflect real-time absences and there is a two-week lag in updating the system, the work locations possess the ability to communicate with OHCM to obtain			To Be Determined

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
	specific absence information related to an employee. While more time consuming, it does allow for the information required to manage attendance to be gleaned.			
STRATEGY AND CUSTOMER EXPERIENCE GROUP				
PRESTO CARD USER ENTITY CONTROLS				
FINDING #1: Management should formally communicate to Metrolinx the TTC's requirements with respect to:		**September 2015**		
• Access to transaction data that allows the TTC Finance Department to reconcile revenue received from PRESTO in a more efficient manner, e.g., this would include PRESTO data from "initial tap" at the device level through to final settlement with TTC. • Revenue related adjustments that are reconciled and accounted for on a timelier basis, e.g., this would include automated checks and balances within the PRESTO System to ensure that missing, delayed and/or exception transactions are processed in a more timely and efficient manner.	Agreed. TTC is dependent upon PRESTO to provide access to transactional data and to improve or upgrade the PRESTO System. In the short-term TTC will continue to work with PRESTO to identify and implement improvements to the current PRESTO System reporting and procedures as part of the Wave 1 implementation scheduled to begin in November 2014. In the longer-term these data and reconciliation issues will be addressed as part of the full system-wide implementation of PRESTO at TTC, in accordance with the TTC stipulated business requirements and terms and conditions of the TTC-Metrolinx Master Agreement, executed on November 12, 2012.	The TTC Board formally communicated with Metrolinx in a letter dated May 6, 2015, requesting details of PRESTO financial controls. The Metrolinx Board responded to TTC and, in its letter dated June 2, 2015, explained that PRESTO is subject to an annual controls-focused audit. Metrolinx encouraged TTC to table areas of perceived risk relative to PRESTO's control framework through the PRESTO Audit/Assurance Committee (PAAC). TTC provided this information to Metrolinx on July 13, 2015 and on August 21, 2015, staff from PRESTO and TTC met to discuss options. Efforts to resolve TTC's concerns are continuing.	Underway	On-going
		Currently TTC has direct access to subsystem transactional data for only a subset of PRESTO devices, however for all other devices PRESTO provides TTC with transactional data sourced from each subsystem and the central system. TTC continues to request to have access to or receive the data from the devices (pre-subsystem). Also, for		

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
		most devices, PRESTO provides TTC with a monthly summary reconciliation of the subsystem-reported "taps" to revenue as reported by PRESTO's central system. Details in the manually-prepared summary reconciliation can be compared to the transactional data provided by PRESTO to ensure its accuracy.		
		Due to the complex nature of the PRESTO's subsystems and central systems, the process followed to record transactions from the "initial tap" to settlement is multi-stepped and is unique to the device type, subsystem and payment method. As more devices, device types and payment methods are implemented, the tracking and reconciliation of revenues and settlements may become even more difficult and time consuming. To help streamline the reconciliation effort, TTC is developing an internal PRESTO data warehouse which will also allow TTC to automate more of its reconciliation procedures.		
		TTC continues to work with PRESTO to reduce discrepancies, to expand the summary reconciliation to include all PRESTO device types, to streamline processes and to obtain direct access to both device level and subsystem level reporting. All of these efforts will help to ensure the complete and accurate reporting of TTC revenues from PRESTO. PRESTO reported that overall settlement performance, in terms of timeliness, worsened from 2014 to 2015 as of March 31, 2015. Apportionment within 2 days and 3 to 7 days of the		

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
		transaction date decreased from 96% to 91% and 4% to 9% respectively. As of April 1, 2015, PRESTO Finance insourced all Financial back office processes from Accenture. PRESTO recently reported to TTC that PRESTO's second quarter settlement performance improved relative to the first quarter of 2015. Finance is working with the Farecard Team to set Service Level Agreement (SLA) metrics with PRESTO to formalize TTC's settlement requirements and monitor performance.		
FINDING #2: Management should:				
• Formalize the TTC policy and related controls for obtaining access to the PRESTO System, and establish a process with PRESTO that ensures only approved documented requests by the TTC are allowed access to TTC data on the PRESTO system. • On a periodic basis request a listing from PRESTO identifying TTC users with access to the PRESTO System.	The Farecard Team will implement a process for internal request/approval of PRESTO data access and then document and submit these requests to PRESTO in accordance with the PRESTO data access protocols. The Farecard Team will request quarterly updates from PRESTO Operations listing individuals with PRESTO System TTC data access.	The Farecard Team has continued to work with PRESTO to establish a TTC request/approval process that would enable TTC employees to obtain authorized access to the PRESTO System Service Provider Website and associated data reports. The Wave 1 implementation has been delayed and is currently scheduled to occur in December 2014. PRESTO has not, as yet, completed the following task which are pre-requisites to the finalization of our internal request/approval process: • PRESTO is in the process of revising their current Service Provider User Access Request Form(s) to accommodate all the new TTC specific devices and monitoring systems. • PRESTO User Group Descriptions must also be updated accordingly. • Service Provider Web access and PRESTO Service Desk training has not, as yet, been scheduled. The Farecard Team requested an	Completed	

TTC AUDIT AND RISK MANAGEMENT COMMITTEE MEETING: Friday, September 11, 2015
TTC Audit Recommendation Performance Scorecard Report

Page 19

Recommendations	Initial Management Response/Action	Follow up Management Response	Status	Completion Date
		update from PRESTO Operations listing individuals who have access to TTC data via the PRESTO system. PRESTO provided the listing of TTC employees that currently have access, but have not, as yet, provided the list of PRESTO employees that have access to the TTC's PRESTO data.		
		September 2015 All TTC employee PRESTO user access requests are currently administered by the Farecard Team. The PRESTO forms and procedures are used to set up and disable user access, and TTC department management is copied on all access requests for their respective areas. In end state i.e. full PRESTO implementation, PRESTO System User Access will follow established TTC ITS User Access Control policies and procedures. In June 2015, PRESTO initiated a quarterly review of PRESTO user access. The TTC PRESTO Farecard Team will confirm/validate the TTC user listing provided by PRESTO. This is now an on-going regular general control implemented in PRESTO following the 2014 CSAE 3416 audit report.		