



ACTION REQUIRED

Date: May 25, 2016

To: TTC Audit & Risk Management Committee

From: Auditor General

Subject: Auditor General's Report – Toronto Transit Commission – Results of 2016
Follow-up of Previous Audit Recommendations

Attached is the Subject Report.

The report is being forwarded to the TTC Audit and Risk Management Committee for review and consideration, and forwarding to the next TTC Board meeting.

Vincent Rodo
Chief Financial &
Administration Officer

Attachments: Auditor General's Report – Toronto Transit Commission – Results of 2016
Follow-up of Previous Audit Recommendations



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Toronto Transit Commission – Results of 2016 Follow-up of Previous Audit Recommendations

Date:	May 11, 2016
To:	TTC Audit and Risk Management Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's Office conducts an annual follow-up review to assess the implementation status of previously issued audit recommendations. This report provides the recommendation follow-up results for the following four Toronto Transit Commission (TTC) audit reports:

- Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program, 2012
- Review of Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration, 2014
- Review of Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance, 2014
- Review of Toronto Transit Commission, Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement, 2014

Of the total 53 recommendations assessed in the current follow-up process, 14 recommendations, or 26 per cent, have been determined as fully implemented. For the remaining 39 recommendations, TTC staff have made significant progress towards implementing the recommended changes.

RECOMMENDATION

The Auditor General recommends that:

1. The TTC Audit and Risk Management 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 implemented recommendations in audit reports issued. 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 annual process for follow-up on outstanding audit recommendations requires that management provide a written response on the implementation status of each recommendation contained in audit reports. Where management indicates that a recommendation is not implemented, audit work is not performed. For those recommendations reported by management as implemented, audit staff conduct additional analysis and testing, and review 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 is 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, rely on management's continuous efforts beyond the audit follow-up process.

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

The Bus Maintenance Phase One audit report was presented to the TTC Audit and Risk Management Committee at its February 11, 2014 meeting and to the TTC Board on

February 24, 2014. This is our second follow-up review on Bus Maintenance Phase One audit recommendations.

Both the Bus Maintenance Phase Two audit report and the Non-Revenue Fuel Card report were presented to the TTC Audit and Risk Management Committee at its February 19, 2015 meeting and to the TTC Board on March 26, 2015. This is our first follow-up review on recommendations included in these two audit reports.

COMMENTS

Table 1 outlines our current assessment results pertaining to the implementation status of recommendations in the four audit reports.

Table 1: Results of the Current Follow-up Review

Report Title and Date	Total	Results of Current Review	
		Fully Implemented	Not Fully Implemented
Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program (December 2012)	13	2	11
Review of Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration (January 2014)	15	2	13
Review of Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance (December 2014)	21	9	12
Review of Toronto Transit Commission Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement (December 2014)	4	1	3
Total	53	14	39

Review of Wheel-Trans Services – Sustaining Level and Quality of Service Requires Changes to the Program, December 2012

Of the total 22 recommendations in the audit report, nine recommendations had been assessed as fully implemented in our previous follow up processes. The Auditor General, in her 2014 and 2015 follow-up reports to the TTC Audit and Risk Management Committee and to the Board, provided brief reviews of the nine fully implemented recommendations and the resulting improvements and cost savings. These reports are available at:

[http://www.ttc.ca/About the TTC/Audit Committees/Audit Committee Meetings/2014/May 12/Reports/AGs_TTC_Results_of_F.pdf](http://www.ttc.ca/About_the_TTC/Audit_Committees/Audit_Committee_Meetings/2014/May_12/Reports/AGs_TTC_Results_of_F.pdf)

[http://www.ttc.ca/About the TTC/Audit Committees/Audit Committee Meetings/2015/May 27/Reports/TTC_AUDIT_COMMITTEE_3.pdf](http://www.ttc.ca/About_the_TTC/Audit_Committees/Audit_Committee_Meetings/2015/May_27/Reports/TTC_AUDIT_COMMITTEE_3.pdf)

Of the remaining 13 recommendations assessed this year, TTC has implemented two recommendations.

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

A brief review of the two fully implemented recommendations and the resulting improvements is provided below.

Recommendation 9 – Revising the late cancellations and no-show policy

The Wheel-Trans cancellation policy provides for an allowance for a number of missed trips before implementing progressive service suspensions. Our audit pointed out the need for Wheel-Trans to incorporate into the policy considerations of legitimate reasons from customers for late cancellation or no-show. In response to our audit recommendation, Wheel-Trans staff formalized the processes for customers to request reconsideration due to unusual circumstances. A Standard Operating Procedure is now in place to provide Customer Service Supervisors with the authority to waive service suspensions for late cancellations and no-shows at their discretion.

Recommendation 21 – Updating standard operating procedures

Our audit noted that many Wheel-Trans standard operating procedures, including those relating to taxi contract administration and monitoring, were in draft form or had not been developed. In response to this recommendation, TTC staff reviewed Wheel-Trans' repertoire of Standard Operating Procedures (SOPs), developed new SOPs, and deleted redundant procedures. This helped improve consistency in operations and contract administration.

Bus Maintenance Phase One Audit Report, January 2014

Of the 18 recommendations in the audit report, two recommendations had been assessed as fully implemented, and one had been assessed as no longer applicable in 2015. The 2015 follow-up report is available at:

[http://www.ttc.ca/About the TTC/Audit Committees/Audit Committee Meetings/2015/May 27/Reports/TTC_AUDIT_COMMITTEE_3.pdf](http://www.ttc.ca/About_the_TTC/Audit_Committees/Audit_Committee_Meetings/2015/May_27/Reports/TTC_AUDIT_COMMITTEE_3.pdf)

Of the 15 recommendations assessed this year, TTC staff have implemented two. For the remaining 13 recommendations, TTC staff are in the process of implementing the

recommended changes. We will assess the implementation status of these 13 recommendations next year.

Attachment 1 lists fully implemented recommendations. Attachment 2 lists recommendations not fully implemented, along with management comments and action plans.

A brief description of the progress made to date and related savings is provided below.

Recommendation 1: Evaluating the merits of the 5,000 km preventive maintenance

Our audit highlighted the need for assessing the merits of the 5,000 km bus preventive maintenance (PM) inspection in preventing mechanical failures. Staff have reviewed other agencies' PM practices and analysed TTC maintenance data. Their analyses suggested that the 5,000 km PM interval may be unnecessary for buses under three years old. To ensure that the elimination of the 5,000 PM interval will not adversely affect vehicle reliability, TTC staff completed a pilot study increasing the inspection interval to 10,000 km for a small fleet of buses. The pilot results were positive. As a result, TTC eliminated the 5,000 km required PM interval for 258 new buses in 2016 and set the PM interval for all new buses to 10,000 km. Eliminating the 5,000 PM interval for new buses will result in annual maintenance savings of approximately \$120,000 starting this year. This recommendation has been fully implemented.

Recommendation 2: Improving adherence to parts maintenance requirements

Our review of maintenance inspection records noted low compliance with TTC internal differential and transmission servicing standards. TTC reviewed their internal Standard Operating Procedures and concluded that the tolerance specified for differential and transmission servicing was unnecessarily restrictive. TTC staff have since widened the tolerance level specified for differential and transmission servicing. Our current review of maintenance inspection records shows that TTC is now in compliance with internal differential and transmission servicing standards. This recommendation is considered fully implemented.

The following recommendations have not been fully implemented but TTC has made significant progress to date. A brief review of the progress made to date is provided below.

Recommendation 12-16: Improving warranty administration

Our audit provided five recommendations to improve warranty administration. Implementing these recommendations requires significant process and system changes across multiple TTC departments and should result in significant savings. TTC staff are currently at Phase 2 of the three-phase implementation plan. Phase 1 focused on improving process at Bus Maintenance and Shops. Phase 2 focuses on returning defective equipment under warranty to service providers. TTC staff have implemented

this phase in five out of the seven bus garages and plan to complete Phase 2 in the two remaining garages in the second half of 2016.

Phase 3 will focus on streamlining the warranty administration process. This last phase requires significant enhancements in the Vehicle Work Order System and the claim administration information system. These enhancements will automate warranty claim tracking and reporting. Phase 3 is scheduled for Q4 of 2016.

Recommendation 17: Shortening bus service life

Our audit noted that the TTC's existing 18-year service life policy for buses is considerably longer than the 12 to 15-year service life policies adopted by most North American transit agencies. Recommendation 17 requests the TTC to conduct a comprehensive life-cycle cost analysis to identify the optimal service life. TTC engaged external consultants to determine the optimum bus life and to develop a plan to transition to the recommended bus life policy. TTC staff rejected the first draft report submitted by the consultants in February 2016, citing inaccuracies in the analysis. The consultants are revising the report. This recommendation remains outstanding.

Recommendation 18: Reducing hybrid bus fleet operating costs

At the time of our audit, TTC operated 691 hybrid buses, which accounted for just over one-third of its fleet of 1,857 buses. The maintenance costs for these hybrid buses were significant. Repair issues for hybrid buses ranged from frequent battery breakdowns to malfunctioning computer systems and engines. Our audit noted that the engine replacement warranties were about to expire. TTC staff anticipated a considerable increase in repair costs in the coming years. Recommendation 18 highlights the need for TTC to develop a plan for hybrid buses to reduce future operating costs. The external consultants hired by TTC to study optimal bus life were also tasked to provide a plan for hybrid buses. This recommendation remains outstanding while the TTC staff are awaiting a revised consultant report.

Bus Maintenance Phase Two Audit Report, December 2014

Of the total 21 recommendations, nine have been fully implemented. For the remaining 12 recommendations, TTC staff are implementing recommended changes. The implementation status of these 12 recommendations will be re-assessed next year.

Attachment 1 lists fully implemented recommendations. Attachment 2 lists recommendations not fully implemented, along with management comments and action plans.

TTC staff have undertaken significant process and system changes to implement the recommendations issued in the Bus Maintenance Phase Two audit report. Examples of the fully implemented recommendations and the related savings are provided below.

Recommendation 1: Centralizing key non-revenue fleet management functions

Our 2014 audit noted that a number of key fleet management functions at a corporate level had not been defined or established within the Non-Revenue Vehicle and Equipment (NRV) fleet management structure. At the time of the audit, TTC did not designate staff to perform key fleet management functions such as assessment of TTC corporate vehicle needs, determination of the best means to meet vehicle needs, control of rental vehicles, and oversight of vehicle and equipment inventory. In response to our audit recommendation, TTC created and filled a NRV fleet management position in 2015. The newly hired NRV Fleet Manager performs key fleet management functions including:

- develop and maintain the vehicle fleet plan;
- budget and schedule procurements;
- replace and retire vehicles;
- plan and execute salvage and decommissioning programs; and,
- allocate vehicles to bus garages and user groups.

Recommendation 6: Replacing aging and high-usage vehicles

Our audit identified a group of high-usage and aging light-duty vehicles which required on average 121 maintenance and repair hours per vehicle per year, more than double the average 50 maintenance and repair hours for light-duty vehicles. The estimated costs of maintaining an aging light-duty vehicle were in the range of \$13,000 to \$15,000 per vehicle per year. Our audit highlighted the need for the TTC to take immediate actions to replace these aging vehicles to reduce annual maintenance and repair costs.

In response to our recommendation, TTC staff have assessed the conditions of these vehicles and have replaced or are replacing most of the aging vehicles. The majority of the aging vehicles are now being used as spares to meet short-term vehicle requests. Based on our estimates, replacing the aging vehicles reduces approximately 2,000 maintenance labour hours per year. TTC garages can now re-allocate these hours to better servicing the entire NRV fleet and reducing the service turnaround time. Using the aging vehicles as spares also reduces the overall vehicle rental needs.

Recommendations 9 and 10: Rationalizing rental vehicle needs

Rental vehicles form part of TTC's corporate pool of vehicle resources. At the time of our audit, TTC had 81 non-revenue vehicle rentals. Our audit noted a lack of corporate oversight on rental vehicle needs. For instance, we noted that TTC rented 25 of the 81 vehicles longer than three years, 11 longer than five years, and three longer than nine years. In these cases, vehicle ownership may be more economic. Our audit also noted that TTC management approved rental requests submitted by user groups without conducting a corporate-wide review of rental requests and available vehicle resources.

Recommendations 9 and 10 request TTC staff to undertake a corporate-wide review of rental vehicle needs and opportunities for shared vehicle usage. In response to the audit recommendations, TTC staff have compiled a NRV inventory list, completed a corporate wide review of rentals, and developed a NRV Fleet Plan. In 2015, TTC purchased five vehicles to replace the long-term rentals and reduced the number of rental vehicles by 44 per cent from 81 to 45. TTC staff estimated the net savings from rental reduction at approximately \$500,000 per year.

Recommendation 19: Shortening the time taken to ready a new vehicle for operation

The TTC's Duncan and Lakeshore NRV garages receive on average about 40 new NRVs per year. Garage staff perform a series of tasks to ready a vehicle for TTC operations. These tasks include vehicle registrations and installation of fire extinguishers, beacon lights and radio equipment. The time between vehicle delivery and in-service date is referred to as "commissioning time." Our audit noted that it took the two garages on average 28 days to commission a new vehicle. Delays in putting a vehicle in service could impact planned TTC activities, service delivery and warranty coverage. Delays in readying a new vehicle for service may also prolong the need for garages to maintain an aging fleet. TTC staff have implemented a new vehicle "serialization" process following our 2014 audit. This has reduced the time needed to ready vehicles for operations by about 50 per cent from 28 days in 2014 to 13 days in Q1 2016.

Non-Revenue Vehicle Fuel Card Audit Report, December 2014

Of the 4 recommendations, one has been fully implemented. For the remaining three recommendations, TTC staff are in the process of implementing recommended changes. We will re-assess the implementation of these three recommendations next year.

The fully implemented recommendation is listed in Attachment 1. Recommendations not fully implemented, along with management comments and action plans, are listed in Attachment 2.

A brief description of actions taken to fully implement recommendation 2 is provided below.

Recommendation 2: Improving compliance with fuel card policy and procedures

In 2013, TTC entered into a three-year contract with Petro Canada for the provision and supply of fuel and fuel card services for its NRVs and equipment. As of May 31, 2014, there were 441 Petro Canada fuel cards and 2,261 personal identification numbers (PINs) issued to TTC employees. Our audit noted low compliance with the fuel card procedural requirements. We found that user groups had requested fuel cards for vehicles that had been decommissioned. We also found that TTC staff had not cancelled PINs for terminated employees. To address these issues, TTC staff have:

- developed procedures to hold user group management staff accountable for non-compliance with fuel card policies;
- identified and cancelled PINs previously assigned to terminated employees; and,
- developed procedures to ensure timely notification and cancellation of PINs upon employment termination.

As part of our follow-up review, we reconciled the list of employees with PINs to the list of active employees obtained from TTC Human Resources Department. We noted only minor discrepancies between these two lists and TTC staff were able to account for the discrepancies with valid reasons. This recommendation is considered fully implemented.

TTC staff have advised us that they are moving to fuelling TTC NRVs exclusively at City fuelling stations by the end of 2016. This may help address the other concerns identified in our 2014 audit. We will assess the relevance of the other three audit recommendations next year.

Next Steps

We will include the results of this follow-up review in a consolidated report to the City Audit Committee in June 2016. The consolidated report will include a summary of our review of outstanding recommendations for all City Agencies and Corporations.

CONTACT

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SIGNATURE



Beverly Romeo-Beehler, Auditor General

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:

- (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 reconsideration based on unusual circumstances.
- (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.

Report Title: Review of Bus Maintenance and Shops Department, Phase One: Bus Maintenance and Warranty Administration

Report Date: January 28, 2014

Recommendations:

- (1) The Board request the Chief Executive Officer to evaluate the merits of the 5,000 km bus preventive maintenance interval in preventing mechanical failures. Such an evaluation should include a review of other transit agencies' practices, TTC's own bus repair records, and piloting new maintenance intervals in a small fleet of buses.
- (2) The Board request the Chief Executive Officer to ensure compliance with TTC bus preventive maintenance inspection and provincial legislative requirements, in particular maintenance of major vehicle parts.

Report Title: Review of Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance

Report Date: December 24, 2014

Recommendations:

- (1) The Board request the Chief Executive Officer to review the current non-revenue vehicle and equipment fleet management structure with a view to ensuring all key

fleet management functions are defined and established with adequate corporate oversight.

- (5) The Board request the Chief Executive Officer to undertake an assessment of alternatives of meeting non-revenue vehicle and equipment needs prior to finalizing annual vehicle and equipment procurement decisions.
- (6) The Board request the Chief Executive Officer to take immediate actions to identify and prioritize the replacement of existing aging non-revenue vehicles incurring significant annual maintenance and repair costs.
- (9) The Board request the Chief Executive Officer to review the existing list of long-term rentals of non-revenue vehicles to determine whether these long-term rentals are justified and cost-effective.
- (10) The Board request the Chief Executive Officer to enhance current rental vehicle review and approval process by incorporating a corporate-wide review of rental vehicle needs, available vehicle resources, and opportunities for shared usage.
- (11) The Board request the Chief Executive Officer to review rental vehicle insurance costs provided by rental companies. A determination should be made as to whether self-insurance coverage is less costly.
- (12) The Board request the Chief Executive Officer to work collaboratively with the Director of the City of Toronto Fleet Services Division to determine the feasibility of issuing a joint Request for Quotation (RFQ) in future acquisition of rental vehicles.
- (19) The Board request the Chief Executive Officer to shorten the period of time readying a new non-revenue vehicle for operation. Steps to be taken should include but not be limited to setting a targeted time frame and improving coordination and communication among various TTC departments.
- (21) The Board request the Chief Executive Officer to ensure the non-revenue vehicle procurement process take into account the ease and practicality of warranty administration.

Report Title: Review of Toronto Transit Commission, Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement

Report Date: December 24, 2014

Recommendations:

- (2) The Board request the Chief Executive Officer to take the necessary steps to improve compliance with fuel card policy and procedural requirements, including but not be limited to:
 - a. Developing additional procedural requirements to hold user group management staff accountable for non-compliance with fuel card policies;
 - b. Undertaking an immediate review of active Personal Identification Numbers (PINs) to identify and cancel PINs previously assigned to employees who have since terminated their employment; and,
 - c. Developing procedures to facilitate timely notification and cancellation of PINs upon employment termination.

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.	<p>The TTC is continuing with the implementation of the Wheel Trans 10 Year Strategy to transform and revolutionize the services provided to TTC customers and the delivery methods in which they happen. To ensure alignment of the operation with the AODA legislation and the recommendations provided by the Auditor General, the program has been divided into 5 core objectives which within have multiple projects:</p> <ol style="list-style-type: none"> 1. Development of a New Service Model 2. Community and Stakeholder Engagement 3. Culture Change for a Committed WheelTrans workforce 4. Financial Sustainability 5. Strategic Regional Partnerships <p>The details of which including timeline will be provided across this document in the answer columns.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
		<p>Part of Objective 1: Develop a New Service Delivery Model to include the implementation of a phased in TTC Family Services Pilot to integrate and connect Wheel Trans customers with other fixed route services. This is designed to train staff to meet customer needs to introduce and assist Wheel-Trans customers in the use of other available accessible TTC services.</p> <p>Full integration with fixed route services and implementation of Family of Services is reliant on the installation of new software to enable trip planning across the whole system, without which requires manual route planning by the Reservations Staff. The TTC conducted an RFI during 2015 for a new software model and is currently evaluating responses and current business processes to determine the timeline to procure the new software.</p> <p>It is anticipated the new eligibility criteria as covered in Objective 1 Eligibility Change project with recommendations due July 2015 will lessen the requirement for Wheel-Trans door to door service for some customers. This criterion is expected to go into effect in the 3rd or 4th quarter of 2016 however the TTC will expedite its implementation wherever possible.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
2.	<p>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:</p> <ul style="list-style-type: none"> 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. 	<p>Further to the response in 1, the pilot program will solidify the criteria to identify which customers are best suited to integrate to other accessible services. The Family of Services pilot will help the TTC learn how best to offer individualized orientation and or training to ensure success for each customer. In addition, the execution of Objective 1 and the Eligibility Changes project and final report will be presented to the TTC Board in Q3 2016.</p> <p>Objective 1 will address all areas of mention specifically, further enhancements to the fixed route facilities to eliminate potential safety and service issues, and Objective 2: Community and Stakeholder Engagement will focus exclusively on education, communication and training programs for all TTC staff, Wheel Trans customers, and the community at large.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
3.	<p>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.</p>	<p>The WSP Parsons Brinkerhoff review has provided us with industry best practice information and guidance to develop the implementation plan which we anticipate being able to communicate publicly early Q2 2016.</p> <p>Objective 1: Eligibility Changes project focusses on ensuring full compliance with AODA for all Wheel Trans customers in time for January 2017 and we aim to commence with the new eligibility assessments by Q4 2016 in advance of the AODA deadline. The TTC has been working closely with all Transit Agencies in the GTHA (including Metrolinx) and specifically the neighbouring agencies to integrate their systems with ours. Note: Date of full implementation:</p> <p>New Eligibility Process Approval: April 2016</p> <p>Objective 2: Community and Stakeholder Engagement April 2016</p> <p>New Eligibility Process in Place: Q4 2016</p> <p>Begin re-registration of existing customers: January 2017 to Dec 2019.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
4.	<p>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:</p> <ul style="list-style-type: none"> 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. 	<p>The AG recommendations have been incorporated as part of Objective 1: Eligibility Changes project and will be brought to the TTC Board for approval in Q3 2016.</p> <ul style="list-style-type: none"> a. The decision to require a medical or health certification has been included with a section of the application form to be completed by the applicant's doctor. b. The merits and cost-effectiveness of incorporating functional evaluations into the eligibility assessment process have been included. c. The evaluation of the effectiveness of the assessment criteria, scoring scheme, and threshold points for eligibility will be considered and a new criteria for eligibility has been determined. <p>In addition, the TTC will review and amend the contract agreement with assessment contractor to conduct revised eligibility assessments and renegotiate terms and conditions.</p>
5.	<p>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.</p>	<p>The implementation of Presto enables the TTC to pursue the implementation of a photo id for Wheel Trans customers. Should this not be possible in the current wave of Presto implementation, Wheel Trans will pursue a photo id for all customers regardless.</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
6.	<p>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.</p>	<p>A practice was implemented in June 2015 whereby Wheel-Trans began tracking by person and we have found that this number continues to remain low.</p> <p>Part of the renegotiated contract with our eligibility assessment provider will include a 48 hour advance reminder call to confirm attendance, certainty of location to address this no show problem in addition the assessment provider will be responsible for booking the assessment appointments.</p>
8.	<p>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:</p> <ul style="list-style-type: none"> 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. 	<p>Reservations headcounts were increased by 7 in 2014, 6 in 2015 and 3 in 2016. Call volumes have increased significantly beyond demand forecasts and Wheel Trans continues to focus on reducing the unaccommodated rate and provide additional trips to meet demand which has increased over 20% since 2013. An analysis of calls to the Priority line indicated that the majority of calls were not priority line related therefore would be better answered by Reservations and transferred to Dispatch if necessary. This change will come in June 2016. It is our goal to further encourage and incent use of internet bookings to provide a better level of service leaving Reservations staff better positioned to handle more complex calls.</p> <p>A new Reservations Scheduling system to be tendered in 2017 offers significant improvements including smart phone apps which allow customers to more nimbly book and change or cancel trips online.</p> <p>The New Service delivery model includes an</p>

	<p>Organizational Review to ensure the most efficient operation for the call centres with enhanced internet and smart phone booking capacity, dedicating the right number of resources to the right times for heaviest call volume, and the implementation of the strategy itself will support the TTC's Employee Engagement objectives. Engaged Employees take pride of ownership in their work and industry trends has shown that this works towards reducing absenteeism. Also, Wheel Trans has reallocated resources to ensure a focus on peak call times and a large enough spare pool to cover. The added benefits reduced Reservations absenteeism in 2015 over 2014 and reduced overtime costs in 2015 over 2014 and in early 2016 we are showing continued improvements. We are separating out the statistics for staff on Permanent Medical Restrictions (PMR) with higher absence rates from non PMR staff to better focus our absence management programs.</p> <p>A delegation from TTC attended the TD Call Centre on December 8th 2015 & December 3, 2015 the 311 Call Centre to review their best practices. Several ideas were gathered including pre-opening call review team sessions, live dashboard posting in the call centre, active call tree management, frontline staff engagement initiatives, hold line "news broadcast" to calm waiting customers. These ideas will be included as part of the WT 10 year Strategy changes.</p> <p>We are also considering the following changes: Implementing a 20-30 minute window for pick up on the day of service to eliminate the need for customers to call for their "exact" trip times after 9pm; Closing the booking window earlier to be able to schedule trips earlier in the day to eliminate late calls; Implementing a new Call Telephony System to route all calls initially to one number where the customer can select their preferred call centre.</p>
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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.	Wheel Trans has developed an automatic call out feature and automatic letter process to communicate with customers who violate the No Show and Late Cancellation policies. We can confirm that 7594 calls have been generated for an average of 244 calls per day and will provide proof in the form of a call out list by 24 hour period for a sample day by June 2016.
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.	<p>Customers must allow for a minimum of 4 hours lead time to book a same day request or to modify their schedule trip times on the day of service. Giving customers 4 hours before their scheduled time to cancel will not give the scheduling system adequate time to reallocate the trip to another customer. The extra 2 hours (6 hours) provides the system a better chance to reallocate the trip.</p> <p>We are currently providing virtually all trips requested and the current unaccommodated rate is 0.5%. A new Reservations / Booking / Scheduling software, GPS tracking and other enhancements may make it possible minimize the late cancellation policy to as little as 2 hours or less. The goal is enabling spontaneity of travel for all Wheel Trans customers and a flexible booking system and efficient operation will address this.</p> <p>We will reconsider allowing customers to cancel on day of service with 6 hours advanced notice once we are confident other changes to our scheduling system yield additional trips for other customers (i.e., implementing a 20 minute window for pick-ups).</p>

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.	The TTC and its consultant is in the process of reviewing all Community Bus routes and anticipates the ability to include Community Bus in the Family of Service model as well potentially eliminate those routes that are already served by a Fixed Route bus and potentially add in those areas that are not served by any TTC service and have a large population of Wheel Trans customers. In alignment with industry best practice, there is a need and use for Community Bus to eliminate the need for sole rider trips and provide a feeder system to better utilize the community bus as part of the full Family of Services strategy
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.	TTC is reviewing whether this newsletter is still a relevant and useful document or whether our customers are better served via general TTC publications or other means. As part of the Wheel Trans 10 Year Strategy Objective 2. Community and Stakeholder Engagement we will analyze and determine the best method for continue to contact and communicate with our customers.

**Report Title: Review of Bus Maintenance and Shops Department, Phase One:
Bus Maintenance and Warranty Administration**

Report Date: January 28, 2014

No.	Recommendation	Management's Comments and Action Plan/Time Frame
3.	The Board request the Chief Executive Officer to ensure that bus kilometre records used for scheduling preventive maintenance inspections are accurate.	Mileage is currently captured manually via the odometer and autonomously through the CIS system, over 20 years old and obsolete. A RFI for current technology, CAD/AVL, was posted January 7, 2015, to improve vehicle tracking. This will replace the outdated CIS providing real time information and accurate mileage reporting. <i>CAD/AVL Implementation: 2017-2018</i>
4.	The Board request the Chief Executive Officer to improve efficiency of bus preventive maintenance inspections and increase bus availability for service by: a. Avoiding duplication of a Safety Check when a comprehensive semi-annual inspection is scheduled; and b. Consistent alignment of Safety Checks and Lubrication Inspections where possible.	The new IFS VWO system has been upgraded with the release of version 5. The Birchmount launch is on schedule for May 2016, and for June 2016 at Queensway. This will complete all 7 revenue bus garages. Improvements to the maintenance software continue to be implemented as the roll-out to the garages proceeds. <i>Roll Out implemented at all Garages: Target 2nd Qtr. 2016 – ahead of schedule</i>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
8.	<p>The Board request the Chief Executive Officer to establish standard repair times for common bus repairs, develop procedures to monitor efficiency of bus repair activities, and incorporate the standard repair times into part of technician performance evaluation.</p>	<p>The new IFS application has been launched for 5 garages. The Birchmount launch is on schedule for May 2016, and for June 2016 at Queensway.</p> <p>A full review of data will be performed after collection of sufficient data including all the garages. <i>Target Date: 2rd Qtr.2017</i></p> <p>Internal Meetings to discuss strategy <i>Target Date: 4rd Qtr. -2017</i></p> <p>Reasonable repair times will be discussed with the Union after reviewing data from all locations. <i>Target Date: December 2018</i></p>
9.	<p>The Board request the Chief Executive Officer to take the necessary steps to enhance continuous training for Bus Maintenance and Shops Departmental staff. Such steps should include but not be limited to:</p> <p>a. Developing a training policy detailing clear and specific training objectives, requirements and completion timeframes for coach technicians and other job classifications where appropriate; and</p> <p>b. Monitoring the completion of training requirements and addressing non-compliance with training requirements.</p>	<p>A training curriculum for coach technicians has been developed: BGO Program update complete. Training being delivered:</p> <p>Cummins Engine Program:</p> <ul style="list-style-type: none"> • Technical Instructor hired <i>Completed - June 2015</i> • In-house program developed - <i>Completed</i> • Interim Engine Training Module location identified. <i>Nov. 2015</i> • Program Delivery: <i>On Schedule – Qtr. 2 2016</i> <p>Allison Transmission Program:</p> <ul style="list-style-type: none"> • Course development <i>Completed – August 2015</i> • Pilot training with functioning transmission and engine demonstration “mock-ups”. <i>Completed - Qtr.1 2016</i> • Training Commencement <i>Qtr.2 2016</i> <p>(Tools to track and monitor compliance exist in the Training Department Pathlore program.)</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
10	The Board request the Chief Executive Officer to accurately assess failure rates of major internal bus rebuild parts as well as assessing the costs of rework associated with rebuild failures.	<p>Phase 2 of IFS VWO upgrades the material return process:</p> <ul style="list-style-type: none"> • for warranty claims • for quality control /analysis. This will allow assessment of failure rates for major internal bus rebuild parts & costs for rework. • Material return process and VWO upgrades on schedule <p>Phase 2 is on schedule with an estimated completion date of 2017</p>
11	The Board request the Chief Executive Officer, in his ongoing assessment of outsourcing opportunities, to conduct a complete analysis of internal bus rebuild costs at the Duncan Shop accounting for all key and relevant direct and indirect costs.	<p>Recent CBA negotiations have resulted in a "No Contracting Out" clause. TTC staff will continue to review opportunities to outsource component rebuild in preparation for the next CBA negotiation.</p> <p>Process Development – 2016 Identification – 2017 Implementation - 2018</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
12	<p>The Board request the Chief Executive Officer to take immediate steps to improve the current defective parts retrieval process at bus garages including but not limited to:</p> <p>a. Implementing adequate controls to account for and track the return of defective parts by technicians; and</p> <p>b. Enhancing efficiency of the parts retrieval process currently carried out by warranty staff.</p>	<p>Refer to Item #10.</p> <p>Rollout of Phase 2:</p> <p>Eglinton / Mt. Dennis <i>Completed on Schedule - July 2015</i></p> <p>Arrow Road : <i>Launched - October 2015</i></p> <p>Wilson Garage : <i>Launched - December 2015</i></p> <p>Queensway: <i>Scheduled - Q2 of 2016</i></p> <p>Birchmount: <i>Scheduled - Q2 of 2016</i></p> <p>KPI's proposed:</p> <p><i>Phase 2 IFS Enhancements:</i></p> <p>1. The Success Rate for material returns of warranty and core return rate is being tracked for all garages except Birchmount and Queensway which are scheduled for Version 5 in May and June 2016. <i>Ahead of Schedule – Q2 2016</i></p> <p>2. Claim submission and successful claims: Design in progress: <i>Target – Q4 2016</i></p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
13.	<p>The Board request the Chief Executive Officer to take immediate steps to maximize the use of bus warranty provisions and increase warranty recovery revenue. Such steps should include but not be limited to:</p> <ul style="list-style-type: none"> a. Identifying and addressing reasons prohibiting successful filing of warranty claims; b. Increasing warranty claim submission rate for bus defective parts and labour hours; and c. Systematically tracking and monitoring claim submission rate and warranty cost recovery for the entire bus fleet. 	<p>Refer to Recommendation #12.</p> <p>These recommendations will be addressed as part of the Phase 2 IFS VWO upgrades</p>
14.	<p>The Board request the Chief Executive Officer to take necessary steps to minimize the number of warranty claims denied by bus manufactures based on “no fault found” in submitted defective parts or warranty administrative issues.</p>	<p>Refer to Recommendation #12.</p> <p>These recommendations will be addressed as part of the Phase 2 IFS VWO upgrades</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
15.	<p>The Board request the Chief Executive Officer to take steps to ensure proper accounting procedures for bus warranty claims and payments. Such steps should include but not be limited to:</p> <ul style="list-style-type: none"> a. Establish proper accounting procedures for bus warranty payments including setting up accounts receivable for warranty claims, implementing procedures to adjust/write off disputed claims and periodic reconciliations; b. Undertake collection of all valid outstanding claims; and c. Review accounting procedures for warranty payments for other types of TTC vehicles including subway trains and streetcars to ensure adequate financial controls are in place. 	<p>Refer to Recommendation #12.</p> <p>These recommendations will be addressed as part of the Phase 2 IFS VWO upgrades</p>
16.	<p>The Board request the Chief Executive Officer to provide an adequately designed and supported bus warranty management information system facilitating effective and efficient management of warranty claims and recoveries.</p>	<p>Refer to Recommendation #12.</p> <p>These recommendations will be addressed as part of the Phase 2 IFS VWO upgrades</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
17.	The Board request the Chief Executive Officer, in preparing 2015 budget submission relating to shortening existing bus service life policy by three years, to provide clear short and long term financial impact information based on a comprehensive, accurate and objective life-cycle cost analysis.	Refer to Recommendation #18
18.	The Board request the Chief Executive Officer to develop a plan for hybrid buses to help minimize increasing maintenance costs in future operating budgets. Such a plan should include a review of alternatives and other transit agencies' experiences in maintaining their hybrid bus fleets.	While the proposed 2016-2025 fleet plan, which included early retirement of part of the Hybrid fleet, was approved on February 17, 2016 work is ongoing with external consultants to determine the optimum bus life for our entire bus fleet and a transition plan from our current policies to the recommended bus life policies. The revised report is not expected to be received from the consultant until the end of April 2016. As such there will not be sufficient time to analyze and incorporate any applicable recommendations developed by the consultant for the 2017 capital budget submission. Any changes to bus life policies will be considered in the next budget cycle submission.

Report Title: Review of Bus Maintenance and Shops Department, Phase Two: Non-Revenue Fleet and Equipment Management and Maintenance

Report Date: December 24, 2014

No.	Recommendation	Management’s Comments and Action Plan/Time Frame
2.	The Board request the Chief Executive Officer to consider implementing a chargeback process or other measures for non-revenue vehicle and equipment costs to help optimize use of vehicle and equipment resources by user departments and enhance accountability.	<p><u>Scheduled:</u> An annual report will be developed for Department Heads. The report will include;</p> <ul style="list-style-type: none"> • Total Annual Maintenance • Total Annual Fuel Costs • Total Vehicle Purchases and Vehicle Rental Costs <p>Due to the need to integrate vehicle repairs and mileage data in TTC’s Vehicle Maintenance System (VMS), user reports will not be fully available until 2016.</p> <p><u>Target Scheduled:</u>Q4 – 2016</p>
3.	The Board request the Chief Executive Officer to enhance the current review and approval process for non-revenue vehicle and equipment acquisitions such that the needs, purposes, and projected usage of the requested vehicles and equipment can be adequately evaluated.	<p><u>Actions Completed:</u> Staff have developed a NRV Business Case Document and process to ensure that all vehicles and equipment are adequately defined, including needs and usage justification, as well as reviewing alternates prior to any vehicle approval was completed Q4-2015.</p> <p><u>Scheduled:</u> Off road equipment are being reviewed, using the Business Case Document.</p> <p><u>Target Scheduled:</u> Q4 – 2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
4.	The Board request the Chief Executive Officer to conduct detailed reviews of utilization levels of non-revenue vehicles and equipment to identify and minimize underutilized vehicles and equipment.	<p><u>Actions Completed:</u> Non-Revenue vehicle utilization was reviewed as part of the Business Case Assessment, outlined in Recommendation #3.</p> <p>Pilot installation of GPS tracking equipment to monitor mileage and utilization was completed Q4-2015.</p> <p><u>Scheduled:</u> Complete pilot and rollout full installation of GPS equipment fleet wide. Ensuring asset Life Cycle Management (LCM) can be maximized.</p> <p><u>Target Scheduled:</u> Q4 – 2016</p>
7.	The Board request the Chief Executive Officer to ensure that vehicle life cycle costs are actively monitored and analyzed as part of the non-revenue fleet management functions. A re-assessment of the current non-revenue vehicle replacement criteria should be undertaken to ensure the criteria are effective in preventing excessive maintenance and repair costs.	<p><u>Actions Completed:</u> The TTC's replacement criteria have been reviewed to ensure the vehicle lifecycle is maximized without incurring excessive maintenance costs. The TTC's replacement criteria are in sync with the City of Toronto's fleet and equipment criteria completed Q2-2015.</p> <p><u>Scheduled:</u> VWO upgrades to improved user interface for maintenance and materials staff, improved scheduling features, as well as material inventory control and cost tracking features. New report availability for warranty tracking and Key Performance Indicators.</p> <p>As part of the Fleet Managers roles and responsibilities, vehicle costs will be monitored and shared with users groups to maximize efficiencies.</p> <p><u>Target Scheduled:</u> Q4 – 2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
8.	<p>The Board request the Chief Executive Officer to review inventory management of non-revenue vehicles and fleet equipment to ensure the inventory is accurate, complete, and up-to-date. Steps to be taken should include but not be limited to:</p> <ul style="list-style-type: none"> a. Assigning a staff person responsible for the oversight and management of inventory; b. Establishing clear policy and criteria defining the type and value of assets to be tracked; c. Ensuring records kept in the Vehicle Work Order (VWO) system meet annual asset reporting requirements; and d. Expanding the current criteria for tracking fleet equipment in VWO to establish a centralized and complete fleet equipment database. 	<p><u>Actions Completed:</u> A Fleet Manager and Supervisor have been assigned to oversee, tracking and management of all NR assets.</p> <p>The type and value of assets tracked is outlined on the NR Planned Replacement Criteria document, posted on the TTC non-revenue web page.</p> <p>All active vehicles and equipment are registered in the VWO system for annual asset reporting requirements, in the same manner as TTC buses are managed.</p> <p><u>Scheduled:</u> Fleet equipment which is maintained by the NR repair shop will be audited and included in the VWO system.</p> <p><u>Target Scheduled:</u> Q4 - 2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
13.	The Board request the Chief Executive Officer to take steps to improve non-revenue vehicle user compliance with scheduled maintenance, including steps to address user concerns.	<p><u>Actions Completed:</u> Monthly inspection calls out reports have been improved, to identify current and future planned maintenance, aiding users in meeting compliance schedules, completed Q4-2015</p> <p><u>Scheduled:</u> More accurate maintenance scheduling will be developed with the implementation of GPS vehicle tracking. The GPS pilot installation completed Q4-2015, was required to develop and confirm communication between vehicles and the TTC network, full fleet implementation is scheduled throughout 2016.</p> <p><u>Target Scheduled:</u> Q4 - 2016</p>
14.	The Board request the Chief Executive Officer to ensure accurate and up-to-date non-revenue vehicle kilometrage data are obtained to facilitate effective preventive maintenance scheduling.	<p><u>Actions Completed:</u> GPS pilot evaluation was completed Q4-2015</p> <p><u>Scheduled:</u> Roll-out of fleet wide implementation is planned for 2016, which will be used for accurate kilometrage gathering on a daily basis.</p> <p><u>Target Scheduled:</u> Q4 - 2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
15.	<p>The Board request the Chief Executive Officer to improve the effectiveness of the Vehicle Work Order system for non-revenue fleet management. Steps to be taken should include but not be limited to:</p> <ul style="list-style-type: none"> a. Addressing existing preventive maintenance scheduling issues in the system; b. Ensuring adequate system access is provided to garage management staff; c. Re-assessing the practicality of existing data entry controls; d. Ensuring accuracy of system generated management reports; and e. Expanding the existing system reports to include reports on fleet management key performance indicators. 	<p><u>Scheduled:</u> Preventive maintenance scheduling issues, improved system access for garage staff and review of data entry controls will be addressed as part of the IFS control features improvements identified as part of the Phase 1 Bus Maintenance Dept. audit. These upgrades include:</p> <ul style="list-style-type: none"> • Improved user interface for maintenance and materials staff • Improved scheduling features • Improved maintenance and material inventory control& tracking features • Improved report features • Improved warranty administration process • Expanded reports to include NRV Key Performance Indicator tracking <p><u>Target Scheduled:</u></p> <p>Phase #1 - Bus Maintenance IFS update Target – Q1-2016</p> <p>Phase #2 - Non-Revenue IFS update Target – Q4-2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
16.	<p>The Board request the Chief Executive Officer to develop and implement non-revenue fleet quality assurance processes to systematically monitor and detect repair quality issues.</p>	<p><u>Actions Completed:</u> A new Vehicle Reliability & Quality Assurance Group was implemented within Bus Maintenance Department, completed - 2014.</p> <p>A Reliability Centered Maintenance (RCM) program was introduced in Q4- 2014, for City Buses to improve bus reliability. This program has been introduced into the non-revenue fleet, to address high duty cycle areas and reduce in service failures. Initial non-revenue RCM programs implemented in Aug-2015.</p> <p><u>Scheduled:</u> Development of quality measures to track vehicle Key Performance Measures (KPI's), based on kilometrage, fuel consumption and vehicle availability for service.</p> <p><u>Target Schedule: Q4-2016</u></p>
17.	<p>The Board request the Chief Executive Officer to ensure adequate controls are in place at TTC garages to deter and detect ordering of non-revenue vehicle and equipment parts for non-TTC uses. Periodic reviews should be considered by TTC internal audit staff.</p>	<p><u>Actions Completed:</u> Staff developed a vehicle post repair parts audit to ensure vehicle parts ordered were actually applied to vehicle repairs completed. This audit SOP is posted on the TTC website. completed Q3-2015.</p> <p><u>Scheduled:</u> Improved material inventory IFS control features identified as part of the Phase 1 Bus Maintenance Dept. audit, are being implemented Q1-2016 Similar controls will be implemented in the NRV sections as part of these upgrades in Q4-2016 in conjunction with Rec #15</p> <p><u>Target Schedule:</u> Phase #1 - Bus Maintenance IFS update Target – Q1-2016</p> <p>Phase #2 - Non-Revenue IFS update Target – Q4-2016</p>

No.	Recommendation	Management's Comments and Action Plan/Time Frame
18.	The Board request the Chief Executive Officer to take steps to shorten garage service turnaround time for non-revenue fleet by addressing issues pertaining to garage capacity, availability of technicians, parts availability and maintenance scheduling.	<p>The TTC will continue to monitor vehicle turnaround and unplanned vehicle downtime, as the Vehicle Maintenance System modifications to track parts to vehicle work orders as well as track the vehicle location and status with the planned installation of GPS.</p> <p>It would be late 2016 to get parts tracking in VWO for non-rev vehicle.</p> <p>GPS pilot is hopeful for 2016.</p> <p>The benefits of this data is 2017.</p>
20.	The Board request the Chief Executive Officer to establish a formal warranty management process for non-revenue vehicles and fleet equipment such that warranty claims are maximized.	<p><u>Actions Completed:</u> A non-revenue warranty procedure has been developed to identify, track and recoup defective warranty components or equipment. New equipment warranty conditions and timeframes for major components, will be registered into the IFS system, as part of the IFS computer system upgrades related to Recommendation #15.</p> <p>A new warranty process SOP has been posted on the NR web page - completed Q4-2015.</p> <p><u>Scheduled:</u> Additional IFS upgrades to aid in warranty identification will be developed based on the city bus work order upgrades.</p> <p><u>Target Schedule:</u> Q4-2016</p>

Report Title: Review of Toronto Transit Commission, Non-Revenue Vehicle Fuel Card Controls Need Immediate Improvement

Report Date: December 24, 2014

No.	Recommendation	Management's Comments and Action Plan/Time Frame
1.	The Board request the Chief Executive Officer to review and revise the current fuel card policy and procedures such that adequate controls are developed and implemented to facilitate effective monitoring of fuel card transactions and detection of questionable transactions.	Revised procedures were reviewed and revised and issued throughout the TTC. We are on our second round of revisions to tighten up our procedure.
3.	The Board request the Chief Executive Officer to strengthen existing fuel card administration and monitoring processes by the Systems Contract and Administration Unit. Steps to be taken should include but not be limited to: a. Ensuring the issuance of fuel cards and personal identification numbers are in accordance with the policy and procedural requirements; b. Improving the effectiveness of transaction sample reviews by the Systems Contract and Administration Unit; and	3a) Aug. 2015 procedures addressed original audit: <ul style="list-style-type: none"> • User groups advise SCA when vehicle scrapped; Bus Operations are to advise SCA when vehicle to be scrapped TTC to revise procedures: <ul style="list-style-type: none"> • User to advise SCA when vehicle scrapped/relocated (SCA cancels Card) Quality Control: <ul style="list-style-type: none"> • Master List (ML) compared to NRV list, monthly - if vehicle scrapped, Card is cancelled • Surplus report sent to SCA, shows vehicles scrapped (SCA compares to ML - if vehicle shows active, remove vehicle from ML, cancel Card) • If SCA is not advised of scrapped/relocated vehicle, email user Dept. Head advise of non-compliance Scheduled Completion: June 2016 -SCA has begun a complete review, comparing ML to NRV list; SCA to conduct monthly review.

No.	Recommendation	Management's Comments and Action Plan/Time Frame
	c. Defining exception reporting requirements and providing regular exception reports to aid management review of fuel card transactions and monitoring.	<p>3b) COMPLETE SCA requests specific receipts from user groups.</p> <p>3c) COMPLETE SCA receives exception reports, sends information to user group Management to review.</p>
4.	The Board request the Chief Executive Officer to, prior to issuing TTC's next fuel card contract in 2016, work with the Director of the City of Toronto Fleet Services Division to determine the feasibility and merits of utilizing the City's fuel supply system including the City operated fuel stations, the City fuel card, and the radio-frequency identification technology.	<p>TTC has completed its pilot using the City's Fuel Sites and is progressing to roll-out to all of our non-revenue fleet. This will not eliminate the existing fuel card program but will significantly reduce its use.</p> <p>Expected full roll-out end of 2016.</p>