



## Minutes

### Toronto Transit Commission Audit & Risk Management Committee

**Meeting No.:** 12

**Meeting Date:** Thursday, February 15, 2018

A meeting of the TTC Audit & Risk Management Committee was held in Committee Room 1, Toronto City Hall, 100 Queen Street West on Thursday, February 15, 2018 commencing at 8:10 a.m. The Audit & Risk Management Committee recessed at 9:13 a.m. to meet as the Committee of the Whole and reconvened in public at 9:45 a.m.

#### **Present at Committee of the Whole**

J. Colle (Chair), R. Byers, A. Heisey and R. Lalonde (Members), R. Leary, T. Bal, C. Greenwood, B. Hasserjian, G. Piemontese, S. Reed Tanaka, B. Ross, J. Ross, J. Taylor, K. Watson, M. Atlas, K. Bayley, R. Chhibbar, D. Guna, M. Ismail, M. Killingsworth, C. Leach, A. Milojevic, M. Sobers, E. Wiggins, K. Lee and C. Finnerty were present.

B. Romeo-Beehler (City of Toronto Auditor General) and D. Magisano (Mayor's Office) were also present.

J. Colle was in the Chair.

#### **Present at Public Session**

J. Colle (Chair), R. Byers, A. Heisey and R. Lalonde (Members), R. Leary (Chief Executive Officer (Acting)), T. Bal (Acting Chief Financial Officer), C. Greenwood (Deputy Chief Service Officer), B. Hasserjian (Acting Chief Safety Officer), G. Piemontese (Chief People Officer), S. Reed Tanaka (Chief Capital Officer), B. Ross (Executive Director – Corporate Communications), J. Ross (Deputy Chief Operating Officer), J. Taylor (Chief of Staff), K. Watson (Chief Customer Officer/Deputy CEO), M. Atlas (Associate General Counsel), D. Guna (Head – IT), M. Ismail (Principal Risk Advisor), M. Killingsworth (Head – Transit Enforcement), C. Leach (Acting Head – Internal Audit), D. LoPresti (Assistant Manager – Contracted Taxi Services), E. Wiggins (Head – Wheel-Trans), T. Zlotnik (Head – Materials and Procurement), K. Lee (Head of Commission Services) and C. Finnerty (Co-ordinator – Secretariat Services) were present.

#### **Declaration of Interest - Municipal Conflict of Interest Act**

Nil

## **Minutes of the Previous Meeting**

Commissioner Lalonde moved that the Audit & Risk Management Committee approve the minutes of the meeting held on Wednesday, December 13, 2017.

The motion by Commissioner Lalonde carried.

## **Business Arising Out of the Minutes**

Nil

## **Public Presentations**

Nil

## **Presentations/Reports/Other Business**

1. Auditor General's Report: Review of Toronto Transit Commission Procurement Policies and Practices: A Case Study to Improve Future Wheel-Trans Accessible Taxi Services Procurement

B. Romeo-Beehler, J. Ying and P. Lee, Auditor General's Office, City of Toronto addressed the Committee with an overview of the audit results and recommendations.

Vice-Chair Heisey moved the Auditor General's report recommendations with the addition of clause 6, as follows:

1. The Board request the Chief Executive Officer, Toronto Transit Commission, to review the necessity and the risks associated with stipulating a minimum driver rate in the upcoming accessible taxi services procurement. Financial, operational, legal and procurement risks should be considered, in consultation with legal and procurement experts.
2. The Board request the Chief Executive Officer, Toronto Transit Commission, in the event that a minimum driver rate is included in the upcoming accessible taxi services procurement, to ensure that the appropriate financial staff assess the accuracy, completeness, and reasonableness of the financial estimate of driver income.
3. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that draft call document for accessible taxi services, and other Wheel-Trans contracted services, is sufficiently and thoroughly reviewed to minimize the need for addendums and changes.
4. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that the appropriate subject matter experts, including finance and risk management staff, are involved at the planning stage of the upcoming accessible taxi services procurement process and the final review of the call document.

5. The Board forward this report to City Council for information through the City's Audit Committee.
6. That the draft RFP document be presented to the Audit & Risk Management Committee for its consideration prior to issuance.

The motion by Vice-Chair Heisey carried.

2. TTC Response to Auditor General Report – Procurement Policies & Practices

T. Zlotnik, Head – Materials and Procurement addressed the Committee with a presentation summarizing changes to the TTC's procurement policies and practices as a result of the Auditor General's investigation and a request by City Council.

The Committee adopted the staff recommendations, as follows:

It is recommended that the Audit & Risk Management Committee:

1. Receive this report for information; and
2. Forward this report to the TTC Board for consideration and referral to the City of Toronto Audit Committee in accordance with City Council's request at its meeting of July 4, 2017 (AU19.11)

Approved

3. TTC Internal Audit Department – 2017 Year-End Summary

C. Leach, Acting Head of Internal Audit addressed the Committee with a brief verbal overview of the Audit Department's year-end summary.

The Committee adopted the staff recommendations, as follows:

It is recommended that the TTC Audit and Risk Management Committee:

1. Approve the attached TTC Internal Audit Department – 2017 Year-End Summary.
2. Forward a copy of the approved TTC Internal Audit Department – 2017 Year-End Summary to the TTC Board for information.

Approved

4. TTC Internal Audit Department – 2018 Flexible Audit Work Plan

It is recommended that the TTC Audit and Risk Management Committee:

1. Approve the attached TTC Internal Audit Department – 2018 Flexible Audit Work Plan.

2. Forward a copy of the approved TTC Internal Audit Department – 2018 Flexible Audit Plan to the TTC Board for information.

Approved

5. Presentation: Cyber Security Risks and Mitigation Strategies – Operations Group

It is recommended that the TTC Audit and Risk Management Committee:

1. Receive the confidential information contained in the confidential attachment;
2. Authorize that the information contained in the confidential attachment remain confidential in its entirety as it involves the security of the property of the municipality or local board.

Approved

The meeting adjourned at 9:46 a.m.