



## **Executive Compliance Certificates – CEO Submission (2023)**

**Date:** March 19, 2024

**To:** Audit & Risk Management Committee

**From:** Chief Executive Officer

### **Summary**

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The Audit & Risk Management Committee (ARMC) Terms of Reference establishes the ARMC as having oversight responsibility for compliance with laws and regulations. As such, it is the responsibility of the TTC CEO and ARMC to maintain the public's trust by demonstrating transparency and accountability over legal compliance to reduce the risk of liability to the organization, its employees, officers and directors.

In order to support the ARMC in fulfilling its governance responsibilities over legal compliance, the Audit, Risk and Compliance Department (ARC) collaborated with the Legal Department to provide the CEO and ARMC a mechanism for demonstrating Executive accountability for compliance with statutes and By-laws through formal compliance assertion reporting. As such, the Executive Compliance Certificate (ECC) was implemented in October 2020 and identified statutes that had an organization-wide impact and which represent sources of significant responsibility for the TTC. In 2023, two pieces of legislation were added to the Certificate: the *Infrastructure for Jobs and Prosperity Act*, 2015, S.O. 2015, c. 15 (Asset Management Planning for Municipal Infrastructure O. Reg. 588/17) and the *Technical Standards and Safety Act*, 2000, S.O. 2000, c. 16.

By completing the Executive Compliance Certificate, Executives identify any non-compliance matters arising during the period of assertion not already reported through an existing policy, procedure or process. They may also highlight any areas they believe would benefit from further assessment and possible procedural improvements. ARC's role is to initiate discussions on reported matters with the purpose of facilitating the development and completion of comprehensive Management Action Plans (MAPs).

All TTC Executive members completed their Certificates for the period covering January 1, 2023 to December 31, 2023. Each Executive reported that they had exercised due diligence to meet the obligations set out in the statutes, regulations and By-laws by ensuring that appropriate policies, procedures and processes are in place to govern compliance and report non-compliance issues.

This report summarizes the results and insights derived from ARC and TTC General Counsel's review of signed 2023 ECCs and provides an overview of the various ECC-related enhancements and education activities conducted throughout 2023.

## Recommendations

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It is recommended that the Audit & Risk Management Committee:

1. Receive this report for information.

## Financial Summary

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There are no financial impacts associated with the completion of the Executive Compliance Certificates and this report. The Chief Financial Officer has reviewed this report and agrees with this financial summary information.

## Equity/Accessibility Matters

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The TTC is committed to promoting and supporting equity and accessibility in all corporate policies, procedures and processes to reflect and respond to the needs of our customers and employees. This includes programs put in place to support compliance with applicable legislation, including the *Accessibility for Ontarians with Disabilities Act*, the *Ontario Human Rights Code*, the *Employment Standards Act* and the *Occupational Health and Safety Act*.

## Decision History

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At its meeting on February 9, 2017, the ARMC confirmed its oversight responsibility for compliance with laws and regulations and requested the TTC to report back on the feasibility of implementing a process to facilitate an annual compliance confirmation of the various laws and regulations governing the TTC.

[Minutes – Audit and Risk Management Committee – February 9, 2017](#)

On February 11, 2020, the ARMC approved the 2020 Audit, Risk and Compliance Flexible Work Plan, which included work to develop a Corporate Compliance Program.

[Audit, Risk and Compliance Report: Flexible Work Plan \(2020\)](#)

At its meeting on September 24, 2020, the ARMC received a presentation on the proposed Executive Compliance Certification Program.

[Presentation: Executive Compliance Certification](#)

On December 2, 2021, ARC submitted the first 2021 ECC – CEO Submission to the ARMC.

[Executive Compliance Certificates – CEO Submission \(2021\)](#)

On February 13, 2023, ARC submitted the 2022 ECC – CEO Submission to the ARMC.

[Executive Compliance Certificates – CEO Submission \(2022\)](#)

## Issue Background

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Prior to the development of the ECC, the TTC did not have a formal corporate-wide process to confirm and document compliance to legislative requirements. In collaboration with the Legal Department, ARC developed an Executive Compliance Certificate to strengthen the TTC's level of due diligence for legislative compliance and assist the CEO and the ARMC with monitoring compliance matters.

## Comments

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### 2023 Executive Compliance Certificate – Enhancements

Based on ongoing discussions and collaboration between ARC, General Counsel and the Executive Team, two new statutes were identified for inclusion on the ECC: the *Infrastructure for Jobs and Prosperity Act, 2015*, S.O. 2015, c. 15 (Asset Management Planning for Municipal Infrastructure O. Reg. 588/17) and the *Technical Standards and Safety Act, 2000*, S.O. 2000, c. 16 (TSSA). Executives felt these two statutes were sources of significant responsibility for the TTC given the new compliance requirements for asset management planning under O. Reg. 588/17 and the importance of achieving a fully accessible system through increased elevator access and the associated maintenance standards governed by the TSSA.

#### ***Asset Management Planning for Municipal Infrastructure (Regulation 588/17)***

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out principles for the provincial government to regulate asset management planning for municipalities. As an Agency of the City, the TTC is required to comply with the requirements of O. Reg. 588/17 under the Act, which requires a comprehensive approach to addressing assets, including core infrastructure assets like roads, bridges, culverts and storm water assets. O. Reg. 588/17 requires organizations to identify the activities that must be done to ensure adequate performance of assets over the next 10 years. The TTC is currently establishing an Enterprise Asset Management Program to implement all regulatory compliance milestones set out in O. Reg. 588/17.

***Technical Standards and Safety Act, 2000 (TSSA)*** – The TSSA is a key statute that governs public safety over a broad range of equipment and industrial operations, including elevators. Elevator maintenance performed in compliance with the TSSA will be a key requirement to ensure the success of the Easier Access Program, the Wheel-Trans Family of Services Program and is integral to achieving a fully accessible transit system under the AODA. Compliance with the TSSA is critical thereby warranting inclusion in the ECC.

### 2023 Legal Education

#### ***Customized Legal Training Sessions by Request***

In 2023, the TTC Legal Department conducted several legal education sessions on statutes listed in the ECC at the request of Chief Officer and Department Heads. The sessions were customized based on the scope of activities performed by the department and were designed to promote direct and interactive communications between TTC Legal and the business units. The sessions provided a high-level

overview of obligations, answered questions, highlighted any new requirements or clarified issues related to interpretation.

## **Corporate E-Learning**

### ***Toronto Public Service By-Law 192 – Ethics Training***

The Toronto Public Service By-law 192 sets the standard for a professional and ethical public service, including rules regarding conflict of interest and wrongdoing. As part of the TTC's efforts to promote and maintain an ethical culture, the TTC's Ethics E-Learning course was updated in 2023 and circulated for mandatory completion to all staff as part of Mandatory Corporate Curriculum. This re-launch was updated to include information on the Integrity Line Program and as well as practical real-world scenarios to help establish a deeper understanding of ethical principles and to promote ethical decision-making. As part of its commitment to ethics training, the TTC will issue the course as an annual recertification with updated material each year.

### ***Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) – Record Keeping Responsibilities Training***

The Record Keeping Responsibilities e-learning course was developed and rolled out in 2023 as a mandatory course to ensure compliance with MFIPPA and the TTC's Information Management Policy as well as to enhance employee awareness and competency. The course is part of the Mandatory Corporate Curriculum and is refreshed every two years. Both the training and the Information Management Policy support the TTC's efforts to satisfy the requirements of the Act, including section 4.1, which requires organizations to take reasonable measures regarding the records in their custody, including establishing systems for documentation and preservation of records in accordance with any record keeping or record retention requirements, rules or policies that apply to the organization.

## **2023 ECC Sign-Off**

ARC received a signed ECC from all 11 Executives, which covered the period from January 1, 2023 to December 31, 2023. By signing the Certificate, TTC Executives acknowledged that for the statutes, regulations and By-laws listed on the ECC, they and their direct reports are:

1. Subject to and required to comply with the legislative requirements;
2. Exercising due diligence to meet the obligations by ensuring that appropriate policies, procedures and processes are in place to govern compliance and report non-compliance issues;
3. Reporting non-compliance matters not already reported through an existing policy, procedure or process, if any; or any areas where they feel there is an opportunity for continuous improvement in the policies, procedures and processes that govern compliance; and
4. Providing action plan details for any items identified in item #3 above.

## **Reported Compliance Matters and Management Action Plans**

By completing the Executive Compliance Certificate, Executives are given the opportunity to identify any compliance matters arising during the reporting period that they believe would benefit from further assessment and possible procedural improvements. Since the implementation of the ECC process, no incidents of non-compliance have been reported via this mechanism. However, Executives are also requested to identify issues or existing processes that may require further review to address a specific issue. A total of 14 items have been identified via the ECC, thereby presenting the opportunity for applicable parties to achieve greater understanding of existing policies, procedures and processes through discussion. ARC facilitates these discussions as part of TTC's continuous efforts for improvement to TTC policies, processes and procedures and to ensure compliance with critical legislation.

### ***Existing Matters***

In 2023, ARC engaged in follow-up discussions on 2021 and 2022 open ECC matters. These consist of opportunities identified by Executives for improvement in policies, procedures and/or processes. ARC obtained updates and/or assisted in the development of comprehensive Management Action Plans (MAPs), which are tracked until the status is deemed complete.

Specifically, once the Executive(s) that initially raised compliance matters through the ECC sign-off process are satisfied that sufficient attention has been given to clarifying existing policies, procedures, processes, addressing any identified gaps, and/or implementing agreed upon improvements, the item will be closed for purposes of ECC Tracking. The need or request for additional internal audit compliance testing and process review will then be assessed in accordance with ARC's regular internal audit planning process.

### ***New Matters***

There was one new matter reported as part of the 2023 ECC sign-off. One Executive requested a review of the processes related to the storage, distribution, cancellation and collection of non-revenue employee and contractor transit passes. Assurance on strong processes for the handling of non-revenue transit passes is important to reduce the risk of pass misuse and to prevent unauthorized access to the TTC's buildings and facilities. This request and need for further consideration will be evaluated taking into account the City Auditor General's confirmed status of management actions implemented in response to her past recommendation, *"to review the criteria and current process for issuing free annual passes to non-TTC staff to ensure valid justification and adequate controls, and to minimize lost revenue opportunities."*

### **Conclusion**

The ECC process plays a key role in reinforcing a compliance-oriented culture at the TTC. The Certificate and its related activities raises awareness of compliance issues, promotes compliance-related discussions and has led to a more proactive approach in identifying issues requiring further mitigation and/or opportunities for improved controls.

## Contact

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## Signature

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Richard J. Leary  
Chief Executive Officer

## Attachments

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Attachment 1 – Executive Compliance Certificate – Legislation

**Executive Compliance Certificate – Legislation  
(For the period January 1, 2023 – December 31, 2023)**

The purpose of the Executive Compliance Certificate is to support the Audit and Risk Management Committee (ARMC) in fulfilling its oversight responsibilities and to provide the Chief Executive Officer and ARMC a formal mechanism for reporting Executive compliance assertions. The statutes below are not an exhaustive list of legislative requirements, but have been selected for their organization-wide impact and because they represent sources of significant responsibility for the TTC.

**Please sign this certificate and return to the Audit, Risk and Compliance Department (ARC) by January 22, 2024.**

1. I acknowledge that my direct reports and I are subject to and required to comply with the legislative requirements as set out in the statutes, regulations and by-laws noted below.

2. To the best of my knowledge, and on behalf of my direct reports, I exercise due diligence to meet the obligations set out in the statutes, regulations and by-laws noted below by ensuring that appropriate policies, procedures and processes are in place to govern compliance and report non-compliance issues.

- Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11
- City of Toronto Act, 2006, S.O. 2006, c. 11, Schedule A
- City of Toronto Municipal Code, Chapter 192 Public Service
- City of Toronto Municipal Code, Chapter 279 Toronto Transit Commission
- Construction Act, R.S.O. 1990 c.C.30
- Criminal Code, R.S.C. 1985, c. C-46
- Employment Standards Act, 2000, S.O. 2000, c. 41
- Environmental Protection Act, R.S.O. 1990, c. E.19
- Fire Protection and Prevention Act, 1997, S.O. 1997, c. 4
- Highway Traffic Act, R.S.O. 1990, c. H.8
- Human Rights Code, R.S.O. 1990, c. H.19
- Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15 (Asset Management Planning for Municipal Infrastructure O. Reg. 588/17)\*
- Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56
- Occupational Health and Safety Act, R.S.O. 1990, c. O.1
- Technical Standards and Safety Act, 2000, S.O. 2000, c. 16\*
- Workplace Safety and Insurance Act, 1997, S.O. 1997, c. 16, Schedule A

\*Added in 2023

3. To the best of my knowledge, and on behalf of my direct reports, below are the following:

a) Non-compliance matters not already reported through an existing policy, procedure or process, if any; or

b) Any areas that I feel there is an opportunity for continuous improvement in the policies, procedures and processes that govern compliance.

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4. For items identified in 3 above, please provide action plan details.

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Executive Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_