Toronto Community Housing

Implementation of Auditor General Recommendations: Status Report

Item 3
May 25, 2011

BOARD OF DIRECTORS

To: Board of Directors **Report:** TCHC:2011-36

From: Chief Executive Officer

Date: May 5, 2011

PURPOSE:

To provide the Board with the monthly status report on the implementation of the Auditor General recommendations.

RECOMMENDATIONS:

It is recommended that the Board receive this report for information.

REASONS FOR RECOMMENDATIONS:

Since the last Board Report of April 6th, 2011, the following recommendations have been implemented, some in advance of management's time frame commitment to the Auditor General.

Fraud Prevention Policy and Ethics Hotline

- Ethics Hotline launched on May 3rd, 2011
- Investigations Protocol consultations completed along with implementation of resulting Protocol
- Enterprise Risk Management review for (1) Eviction Prevention, and (2) Financial Budgeting

Employee Expenses

(a) Audit of Expenses

- Internal review of inappropriate expenses completed as identified in Auditor General report
- Random audit of employee expenses by the Ethics & Compliance Unit commenced

(b) Inappropriate Expense Follow-Up

- Recovery of expenses identified as inappropriate in Auditor General report is on-going
- Implemented disciplinary actions where appropriate
- Implemented appropriate actions towards staff responsible for incurring inappropriate expenses as per internal audit review. The following are the results of the review to date:

Employee Warning Letters	18
Suspensions	1
Employees no longer with the organization (departures and terminations)	8
Expenses recovered	$18,303
Expenses sent to legal counsel for review and recovery	$4,474

(c) Revised Expense Directives

- Introduced new expense procedures

(d) Revised P-Card Directive

- Completed Revised P-Car Directive and implementation of it

(e) Revised Cash Advance Policy

- Completed Revised Policy and implementation of it

Procurement

- Review of instances where open tendering process was circumvented

IMPLICATIONS AND RISKS:

The implementation of both the Auditor General recommendations and the Corporate Compliance Initiative are vital to providing assurances that Toronto Community Housing operates it business well, creates sustainable value and embraces ethical conduct.

"Len Koroneos"

Len Koroneos
Chief Executive Officer (Interim)

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