Implementation of Auditor General 2010 Recommendations: Status Report

Item 2
January 27, 2012
Corporate Affairs and Audit Committee

To:	Corporate Affairs and Audit Committee	Report: CAAC:2012-02
From:	Chief Executive Officer (Interim)	
Date:	January 12, 2012	Page 1 of 2

PURPOSE:

To provide the Corporate Affairs and Audit Committee with a status report on the implementation of the recommendations made in the Auditor General's 2010 audit reports.

RECOMMENDATIONS:

It is recommended that the Corporate Affairs and Audit Committee receive this report for information.

REASONS FOR RECOMMENDATIONS:

At its March 3, 2011 meeting, the Auditor General delivered to the Board his reports with respect to procurement and employee expenses. At that time, Management presented to the Board its Action Plan/Time Frame to implement the Auditor General's recommendations.

Attached is a status update on the implementation of the Auditor General's recommendations.

IMPLICATIONS AND RISKS:

The implementation of the Auditor General's recommendations are vital to providing assurances that Toronto Community Housing operates its business well, creates sustainable value, and embraces ethical conduct.

"Len Koroneos"

Len Koroneos
Chief Executive Officer (Interim)

Attachment: 1: Auditor General Recommendations, Implementation Status Update – As At January 12, 2012

Staff Contact: Michelle Haney-Kileeg 416-981-4057
General Manager, Office of the CEO
Michellle.Haney-Kileeg@torontohousing.ca

Ismail Ibrahim 416-981-4241
Legal Counsel Ismail.Ibrahim@torontohousing.ca

Michael Vear 416-981-4065
Sr. Manager, Audit and Compliance Michael.Vear@torontohousing.ca

Auditor General Recommendations
Implementation Status Update - As At January 12, 2012

Rec No.	Recommendation	Initial Management Response	Complete	In Progress	< ---------- In Progress ---------- > Action Plan / Comments	Time line
AGPr 1	The Chief Executive Officer (CEO) in consultation with the City Manager review areas where opportunities exist to consolidate or coordinate operations at the TCHC and the City in order to achieve cost savings. The CEO be required to report to the Board of Directors by September 30, 2011 on the results of these consultations. Further, the City Manager be requested to report to City council at the same time.	**Action:** The CEO will meet with the City Manager to identify opportunities for cost savings. TCHC currently participates in a number of City bulk programs for utilities, energy projects, and information technology. A report on these consultations will be presented to the Board. **Timeline:** Q311		X	Discussions have occurred with the City Manager (specifically regarding IT and purchasing) and are ongoing. Pilot project for goods purchased ended and evaluated. Talks with City about expansion company wide commenced Jan/12. Co location of computer room presented to CAAC in Jan/12. Meeting with Fleet Director set for Jan 23/12	Ongoing
AGPr 2	The CEO review the 2005 Report of Madame Justice Bellamy and the Auditor General's report entitled "Procurement Processes Review." The purpose of the review should be to develop a work plan to implement all appropriate recommendations.	**Action:** The CEO and CFO will work with the Senior Procurement Manager to review the best practices arising from the Bellamy Report and Auditor General's report. The current work plan will be revised to include these best practices. **Timeline:** Q311		X	The two reports were reviewed as part of the ERM CMP initiative for 2011. A work plan has been developed to improve processes as identified by the Auditor General. An outside procurement expert (Paul Emmanuelli of The Procurement Office) has been engaged to review, evaluate and recommend changes to the procurement processes and policies at TCH (the "Procurement Review"). As part of this review, the new procedures and processes will include all recommendations of the two reports.	Q212
AGPr 3	The CEO, give consideration to the hiring of outside expertise to address all recommendations, including those contained in this report, as well as to provide ongoing advice on the management of the procurement process. Resources at the City be used where possible.	**Action:** The CEO will hire a Senior Procurement Manager and review whether the procurement function should remain in the Finance Division or report to the CEO's Office on an interim basis in 2011 to address all the Auditor General recommendations. The CEO will work with the City to access resources for best practices and to avoid duplication of effort. **Timeline:** Q211	X		Completed. Senior Procurement Manager hired in Q3, 2011. Outside procurement expert, Paul Emmanuelli of The Procurement Office was engaged Q411 to evaluate and revise the procurement processes and precedents at TCH ("the Procurement Review").	
AGPr 4	The CEO ensure that all of the issues identified in this report are addressed during any external review of the procurement process.	**Action:** The CFO and Senior Procurement Manager will review this report as part of Recommendation #2 above. **Timeline:** Q411		X	As part of the Procurement Review, the new procedures and processes will address all issues identified in the Auditor General's review	Q212

AGPr = Procurement Report recommendation / AGEx = Expenses Report recommendation

Auditor General Recommendations
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AGPr 5	The CEO be required to report to the Board of Directors on a quarterly basis the progress made in implementing all such recommendations.	**Action 1**: The Board will receive quarterly reports on implementation progress. **Timeline**: Reporting to begin in Q311 on Q211 results.	X		**Action 1**: Reports have been submitted to every Board meeting since March 2011 via CMP/ERM Updates.	Ongoing
		Action 2: The CEO will submit Internal Audit findings to the Board's Corporate Affairs Committee within 30 days of completion. **Timeline**: Reporting to begin in Q311 on Q211 results.		X	**Action 2**: Internal Audit summary reports of PCard/employee expenses have been reported to the Board via CMP/ERM Updates.	Ongoing
AGPr 6	The CEO in consultation with the Internal Audit Unit review all major procurement decisions to determine whether contracts were awarded appropriately and in the best interest of the TCHC. Where this is not the case, consultation be held with legal counsel to determine an appropriate course of action.	**Action**: The CEO and the Internal Audit Unit will re-examine the major procurement decisions and report recommended actions to the Board. **Timeline**: Q411	X		Completed. Review of major procurement decisions reported IN CAMERA to the Board at its April 1, 2011 meeting	Completed
AGPr 7	The CEO review all reports issued by the Auditor General in order to determine the applicability of the recommendations contained in the reports. The reports to be reviewed include, but not be limited to those contained in Exhibit 1.	**Action**: The CEO and CFO will work with the Senior Procurement Manager to review these reports in conjunction with Recommendations #2 and #4. **Timeline**: Q411		X	As part of the Procurement Review, the new processes will address all recommendations. Will also incorporate feedback, if any, tabled by AG's procurement report of subsidiary hsi expected in February 2012.	Q212
AGPr 8	The CEO report back to the Board of Directors by September 30, 2011 on the implementation progress of all relevant recommendations contained in each one of the reports included in Exhibit 1.	**Action**: Implementation progress reports will be provided to the Board as per Recommendation #5. **Timeline**: Q311		X	A report will be provided to the Board of Directors following the completion of the Procurement Review	Q212

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Auditor General Recommendations
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AGPr 9	The CEO ensure that any revision of Board approved policies and procedures take into account current policies and procedures at the City.	**Action**: The new Senior Procurement Manager will review the current policies and procedures of the City in conjunction with the reviews as per Recommendations #2, #4 and #7. The CEO will meet with the City Manager's Office to ensure access to the City's policies and procedures. New and revised policies proposed to the Board will include information on related City policies and procedures, if applicable. **Timeline**: Q411		X	As part of the Procurement Review, the new procedures and processes will take into account the current policies and procedures at the City	Q212
AGPr 10	The CEO review the management structure, reporting relationships, the roles and responsibilities of the Strategic Procurement Unit and assign clear accountability for each step in the procurement process, including the responsibility for ensuring compliance with various policies and procedures.	**Action**: Upon completion of the review of the procurement policies and process, the CEO and CFO will evaluate the procurement unit's roles, responsibilities, and capacity. **Timeline**: Q311		X	Procurement function being developed for the enterprise, including subsidiaries, in a shared service structure. Procurement function is being developed as a strategic function, including mapping of practices and vendor lists (recently refreshed via open public process) currently being used at HSI. Fine tuning will be ongoing but target completion Q112	Q112
AGPr 11	The CEO, as required by the Board approved Policy, implement a structured and ongoing program of procurement reviews. Such reviews should address ongoing compliance with policies and procedures and where instances of non-compliance are identified appropriate action be taken.	**Action**: As part of the review of the procurement policies and process, the Senior Procurement Manager will develop an ongoing procurement review cycle in conjunction with the Internal Audit Unit. **Timeline**: Q411		X	Review of all budget/spending plans for 2012 will be completed to identify procurement risks. Rollout of practices to support ongoing review cycle including controls and value for money.	Q212
				X	Execution of procurement plan will be done in the context of the revised policies and procedures that support the AG procurement recommendations.	Q212
AGPr 12	The CEO direct all staff to comply with procurement policies and procedures and advise them that non-compliance will result in disciplinary action. If necessary, training be provided to staff involved in the procurement process.	**Action**: A CEO directive will be sent to all staff to address this recommendation.		X	CEO directive to be sent to all staff in Q212 in conjunction with the roll out of the revised procurement policies and procedures.	Q212
		Managers will meet with all staff to reinforce messaging. **Timeline**: Q211		X	Training and resources identified in 2012 CMP initiative on ERM. Follow up workshops and communication to support refinement of procurement policies and procedures are planned.	Q212

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Auditor General Recommendations
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AGPr 13	The CEO amend the tender requirements contained in the procedures document particularly as they pertain to transactions below $10,000.	**Action**: The CFO will evaluate the requirements for transactions below $10,000. This will be done in conjunction with the reviews as per Recommendations #2, #4, #7 and #9. **Timeline**:Q411		X	As part of Procurement Review, the new procurement policies and procedures will include tender provisions pertaining to transactions below $10,000.	Q212
AGPr 14	The CEO direct staff that all future tenders be required to comply with the TCHC's open tender policy. The Internal Audit Unit conduct regular and random reviews of all future tenders to ensure compliance. Where instances of non-compliance are identified appropriate disciplinary action be taken.	**Action 1**: This recommendation will be addressed in the CEO Directive to all staff, in conjunction with Recommendation #12. **Timeline**: Q211	X		**Action 1**: Open tendering practice is in place and to be reinforced in the CEO Directive.	Completed
		Action 2: Routine audits to evaluate the compliance with the open tender policy will be included and conducted in the Internal Audit schedule. **Timeline**: Q411		X	**Action 2**: Audits of open tender policy to be completed based on consultation between Internal Audit and new Senior Procurement Manager. All open tenders are processed through the central procurement unit. Will be reinforced by CEO Directive in Q212.	Q212
AGPr 15	The CEO review all instances where the open tendering process has been circumvented. In instances where value for money has not been obtained, consultations be held with legal counsel to determine an appropriate course of action.	**Action**: Internal Audit Unit will review the open tendered contracts and the CEO will take appropriate actions. **Timeline**: Q411		X	CAAC approved 2012 Internal Audit work plan, which includes review of purchases greater than $100,000 to determine if open tendering processes were used.	Q312

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AGPr 16	The CEO review all major single tendered contracts to ensure that they represent value for money. Future single tender procurements should be approved by the CEO. ● Single tendering be approved only under the circumstances contained in TCHC policy. ● Detailed documentation be made available in support of any single tender procurement. ● The extent and details of single tendered contracts be tracked in the financial information system and be reported to the Board of Directors on an annual basis.	**Action 1**: The Senior Procurement Manager will evaluate the requirements for single tenders. This will be done in conjunction with the reviews as per Recommendations #2, #4, #7, #9 and #13. This will include ensuring the procedures provide clear guidelines for documenting single tenders. **Timeline**: Q411	X		**Action 1**: Review of major procurement decisions reported *In Camera* to the Board at its April 1, 2011 meeting.	Completed
		Action 2: The CEO will review all single tender procurements. **Timeline**: Q211	X		**Action 2**: CEO currently reviews all single tender procurements greater than $10,000.	Ongoing
		Action 3: A yearly report on single tendered contracts will be delivered to the Board. **Timeline**: Q112		X	**Action 3**: Report of all single tendered contracts for 2011 to be presented to the Board in Q112 with ongoing quarterly reports.	Q112
AGPr 17	The CEO review the propriety of current arrangements related to the overseas procurement of products such as kitchen and bathroom fixtures. Competitive pricing be obtained to determine whether the current procurement arrangements represent the best value for money taking into account all ancillary costs including brokerage, agency fees, transportation, storage, security and warranty fees.	**Action**: The overseas procurement arrangements have been terminated and will only be re-activated as part of a competitive procurement process going forward. As a result, there is no current overseas procurement to review. **Timeline**: Completed	X		The overseas procurement arrangements have been terminated and will only be re-activated as part of a competitive procurement process going forward. As a result, there is no current overseas procurement to review.	Completed
AGPr 18	The CEO communicate to staff the requirement to comply with the TCHC Conflict of Interest Policy. Conflicts be declared prior to and not subsequent to procurements. All declarations be in writing.	**Action**: This recommendation will be addressed in the all staff Directive as per Recommendations #12 and #14. **Timeline**: Q211		X	CEO Directive to be sent to all staff in Q212 in conjunction with the roll out of the revised procurement policies and procedures. Additionally a compulsory component of Performance Management is review and confirmation of policy understanding including Conflict of Interest, Code of Conduct, Procurement and Expense Management.	Q212

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AGPr 19	The CEO review the City policy pertaining to unsolicited quotations or proposals and give consideration to the development of such a policy.	**Action**: The new Senior Procurement Manager will review the City policy in conjunction with the reviews as per Recommendations #2, #4, #7, #9, #13, and #16. **Timeline**: Q411		X	To be completed as part of the Procurement Review, the City's policy pertaining to unsolicited quotations will be considered for adoption.	Q212
AGPr 20	The CEO direct staff that procurement or purchase order transactions not be "split" in order to circumvent procedures. Staff be advised that failure to comply will be subject to discipline.	**Action 1**: This recommendation will be addressed in the all staff Directive in conjunction with Recommendations #12, #14 and #18. **Timeline**: Q211		X	**Action 1**: CEO Directive to be sent to all staff in Q212 in conjunction with the roll out of the procurement policies and procedures.	Q212
		Action 2: Internal Audit will implement a monitoring process to ensure compliance as noted in Rec. 21. **Timeline**: Q411		X	**Action 2**: Monitoring of 'split' orders to be completed based on consultation between Internal Audit and the new Senior Procurement Manager.	Q212
AGPr 21	The CEO establish a process whereby unusual procurement transactions are identified and reviewed on a regular basis. Appropriate action be taken on those items identified. The financial information system be adapted to provide ongoing exception reports.	**Action**: Internal Audit will establish and conduct random audits until an IT upgrade of the financial information system is completed. Results to be reported to the CEO for action. **Timeline**: Random audits to begin in Q411, with IT solution planned for 2012.		X	Exception reporting is being developed in all transaction systems. IT upgrades to be completed by Q312 with key interim reports and manual processes in place until IT upgrades are completed. Random audit process and completion part 2012 Internal Audit work plan approved by CAAC.	Q112
AGPr 22	The CEO direct all staff to comply with TCHC procedures regarding tender openings. Tenders should be opened in public and in the presence of tenderers or their representatives who wish to attend. The name of the tenderer and the total amount of each tender should be read aloud and recorded when opened. A complete record of the tender opening should be maintained. Consideration be given to recording the results of tender openings on TCHC's web site.	**Action 1**: The first part of the recommendation (directing staff regarding tender opening procedure) will be addressed in the all staff Directive from the CEO in conjunction with Recommendations #12, #14, #18 and #20. **Timeline**: Q211		X	**Action 1**: CEO Directive to be sent to all staff in Q4 in conjunction with the roll out of the revised procurement policies and procedures. Open tender policy is in place in central procurement. Directive to flow all procurement though central department.	Q212
		Action 2: The Senior Procurement Manager will review website disclosure as part of Recommendations #2, #4, #7, #9, #13, #16 and #19. **Timeline**: Q411		X	**Action 2**: Development of procedures and website disclosures will be complete as part of the process to revise the procurement policies and procedures.	Q212

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AGPr 23	The CEO ensure that tender documents are complete and prepared in accordance with procedure. Complete evaluation criteria information should be included in all tender documents.	**Action 1**: This recommendation will be addressed in the all staff Directive from the CEO in conjunction with Recommendations #12, #14, #18 and #22. **Timeline**: Q211		X	**Action 1**: CEO Directive to be sent to all staff in Q212 in conjunction with the roll out of the revised procurement policies and procedures.	Q212
		Action 2: CFO to develop checklist to accompany all tender documents prior to award. **Timeline**: Q211	X		**Action 2**: Current documents have been updated with inclusive evaluation criteria. They will be further enhanced when policy and procedures documentation is complete.	Completed
AGPr 24	The CEO in consultation with Legal Counsel develop protocols and procedures for addressing bid irregularities such as correction of mathematical errors. The CEO communicate with vendors on a regular basis to emphasize the importance of ensuring tender responses are accurate and complete and include all mandatory information.	**Action 1**: General Counsel will develop procedure for addressing bid irregularities. **Timeline**: Q211		X	**Action 1**: A new set of practices has been adapted. As part of the Procurement Review, formalized protocols and procedures for bid irregularities will be documented in the revised procurement policies and procedures.	Q212
		Action 2: CFO to issue communication to vendors emphasizing accuracy and completeness. **Timeline**: Q211		X	**Action 2**: Vendor outreach strategies have commenced and are built into updated practices. Communication being developed by Senior Procurement Manager for roll out in Q212.	Q212
AGPr 25	The CEO maintain on file documentation supporting the results of the vendor selection process including information pertaining to disqualified respondents, evaluation results of each individual on the evaluation team and information pertaining to any conflicts of interest declared by staff.	**Action**: Record keeping expectations for the vendor selection process will be addressed in the all staff Directive from the CEO in conjunction with Recommendations #12, #14, #18, #22 and #23. **Timeline**: Q211		X	Vendor selection process in place and being implemented across the organization through Q212. Workshops to further outline evaluation process will be rolled out by Q212.	Q212
AGPr 26	The CEO develop protocols in connection with circumstances when the Strategic Procurement Unit or a third party Fairness Commissioner should be involved in the tender evaluation process.	**Action**: The CFO will develop a protocol for when the Strategic Procurement Unit or Fairness Commissioner is required. This will be done in conjunction with the reviews as per Recommendations #2, #4, #7, #9, #13, #16, #19 and #22. **Timeline**: Q411		X	To be completed by Q212 as part of the Procurement Review, protocols for use of a Fairness Commissioner will be developed.	Q212
AGPr 27	The CEO review the process relating to TCHC's Fair Wage Policy in order to ensure that the policy is enforceable.	**Action**: The Senior Procurement Manager will review the enforceability of the Fair Wage Policy. **Timeline**: Q4		X	As part of the Procurement Review, the Fair Wage Policy will be reviewed.	Q212

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AGPr 28	The CEO, direct all staff that financial security requirements in all tender documents must be complied with. Where required financial security is not provided in response to a tender then the tender should be disqualified. Under no circumstances should staff be allowed to negotiate terms and conditions which are different from the tender document.	**Action**: This recommendation will be addressed in the all staff Directive from the CEO in conjunction with Recommendations #12, #14, #18, #22 and #25. **Timeline**: Q211	X		With new procurement structure in place, financial security controls and practices are in place Q411.	Completed
AGPr 29	The CEO review the current process for establishing and maintaining the current vendor list. Where significant purchases are made from one supplier an open competitive tender process be initiated. Consideration be given to establishing common terms and conditions and pricing for the duration of the contract and the regular monitoring of vendor performance.	**Action**: The new Senior Procurement Manager will evaluate the current process for establishing and maintaining the current vendor list. This will be done in conjunction with the reviews as per Recommendations #2, #4, #7, #9, #13, #16, #19, #22 and #26. **Timeline**: Q411		X	As part of the 2012 Budget/Spending plan, refresh of procurement rosters to be completed through enterprise procurement planning cycle. All other vendors will be deleted from lists and transaction systems. Vendor management strategies to be rolled out as part of communication plans in 2012.	Q212
AGPr 30	The CEO, during her review of the procurement process ensure that an appropriate level of attention is also given to the Accounts Payable system. In particular, internal control deficiencies relating to the payment of invoices be immediately addressed.	**Action**: The CFO will evaluate the current Accounts Payable system. This will be done as part of the reviews identified in Recommendations #2, #4, #7, #9, #13, #16, #19, #22, #26 and #29. **Timeline**: Q411	X		Centralized Accounts Payable system implemented in August 2011.	Completed
AGPr 31	The CEO take appropriate steps to ensure compliance with the Corporate Finance Policy and Procedures. Supplier invoices be recorded in the financial information system on a timely basis.	**Action 1**: This recommendation will be addressed in the all staff Directive from the CEO in conjunction with Recommendations #12, #14, #18, #22, #25 and #28. **Timeline**: Q211		X	**Action 1**: CEO Directive to be sent to all staff in Q212 in conjunction with the roll out of the revised procurement policies and procedures.	Q212
		Action 2: CFO piloting centralized receipt of supplier invoices to ensure timely entry. **Timeline**: Q211			**Action 2**: see AGPr 30 above.	completed
		Action 3: Internal Audit will add random audits to their work plan to ensure compliance. **Timeline**: Q411		X	**Action 3**: CAAC approved Internal Audit 2012 work plan including random audits to ensure compliance.	Q312

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AGEx 1	The CEO review the current expense policy in detail to ensure that it is comprehensive and very clearly articulates expenditures which are not appropriate. Expenses which serve no direct business purposes such as those incurred on staff celebrations be immediately discontinued.	**Action Plan**: The CEO has launched an internal review to revise all existing policies and procedures for employee expenses, and put in place controls and processes that strengthen accountability and transparency. **Timeline**: Q211	X		New Employee Expense Guidelines issued Mar 15/11. New Tenant Expense Guidelines issued Mar 15/11.	Completed
AGEx 2	Senior Management be directed to ensure that all expenses incurred by staff are in compliance with policy. Under no circumstances should expenses be approved and processed without supporting, appropriate, sufficient documentation. Further, employees should not approve their own expenditures.	**Action Plan**: Later this year, Toronto Community Housing will implement its new Expenses Policy as per Recommendation 1, in conjunction with a new Fraud Policy.	X		New Employee Expense Guidelines issued March 15, 2011. New Fraud Prevention Directive issued January 18, 2011, and revised August 23, 2011.	Completed
		We will also launch a staff education program to strengthen awareness and understanding of the need to comply with policies and procedures and exercise sound judgment. **Timeline**: Q311		X	Online fraud training to commence Q411. All staff required to complete by March 31, 2012.	Ongoing
AGEx 3	The internal audit unit be directed to conduct ongoing audits of all expense claims and report any instances of non-compliance to the CEO. The CEO take appropriate action when instances of non-compliance are indicated.	**Action Plan**: The Internal Audit Unit will dedicate resources to conduct random audits of expense claims. **Timeline**: Q211 and ongoing	X		Extensive follow up review of expense claims completed.	Completed
				X	Random reviews of future expense claims included in Internal Audit 2012 work plan approved by CAAC.	Q411
AGEx 4	The CEO review the ongoing use of purchasing cards in order to determine whether of not their issue to current staff is appropriate. Purchase cards be cancelled where appropriate	**Action Plan**: The Executive will review the use of purchase cards and take appropriate actions. **Timeline**: Q311 and ongoing	X		All purchase cards were suspended in March 2011. A few purchase cards have been re-issued on a case by case basis, as approved by the CEO. All purchase card transactions require the approval of an executive, pending a new purchasing card policy. Staff now must personally incur business expenses and then seek reimbursement for same.	Completed

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AGEx 5	The CEO ensure that expenses which are recoverable from third parties are followed up on a timely basis.	Action Plan: Toronto Community Housing will seek reimbursement on all recoverable expenses. **Timeline**: Q211 and ongoing		X	Substantially complete, minor follow up items to be pursued. Two items have been referred to counsel for collection.	Ongoing
AGEx 6	The CEO review audit reports previously issued by the Auditor General, particularly those related to the use of purchasing cards and employee expenses in order to ensure that the recommendations contained in those reports are addressed and implemented at the Toronto Community Housing Corporation.	**Action Plan**: This recommendation will be carried out in conjunction with recommendations 1 and 4. The CEO will report back to the Board of Directors by September 30, 2011 on the company's progress in implementing the recommendations. **Timeline**: Q311 and ongoing	X		Review has been conducted by legal counsel.	Completed
AGEx 7	The CEO ensure that recommendations contained in this report are also implemented at the Toronto Community Housing Corporation's subsidiary companies.	**Action Plan**: The CEO will notify subsidiary companies of the Auditor General's recommendations, and action items arising from them. A quarterly update from the subsidiary Board's will be required to update on progress and compliance. **Timeline**: Q111 notifications; and Q411 and ongoing for implementation.	X		Revised Expense Guidelines rolled out to the entire organization, including subsidiaries.	Completed
AGEx 8	The CEO follow up on all expenditures which appear to be inappropriate and: (a) recover any Toronto Community Housing Corporation funds which were used for non TCHC business purpose;	**Action Plan**: Recommendations 8(a) and 8(b) will be carried out in conjunction with Recommendation 5. **Timeline**: Q2		X	(a) Of the Report's initial expense findings, all funds have been collected; except one matter that has been referred to outside counsel for collection.	Ongoing
	(b) review with legal and other appropriate staff a proposed course of action towards those employees who have knowingly used purchase cards inappropriately; and	**Action Plan**: Recommendations 8(c) is already in place. Pending a review, all purchase card transactions for any reason require approval of a director or executive. Discontinuance of purchase cards underway for Q211. **Timeline**: Immediate	X		(b) Outside counsel was consulted as to appropriate sanctions. Their advice was implemented.	Completed
	(c) discontinue the use of purchase cards until appropriate policies and oversight processes are put in place.		X		(c) See AGEx 4 above.	Completed

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					Action Plan / Comments	**Time line**
AGEx 9	The CEO review the controls relating to the issue of cash advances and make appropriate changes as required.	**Action Plan**: This recommendation will be carried out in conjunction with Recommendation 1. **Timeline**: Q211		X	Review of internal controls relating to cash advances included in Internal Audit 2012 Work Plan, as approved by CAAC.	Q112
AGEx 10	The CEO take immediate action to recover expenditures which are non business related and in consultation with the Legal Division take appropriate action towards those staff responsible for incurring such expenditures.	**Action Plan**: This recommendation will be carried out in conjunction with recommendations 5, 8(a), and 8(b). **Timeline**: Q211		X	$15,707 has been recovered from TCH employees. Appropriate sanctions have been implemented. Two cases have been referred to legal counsel for further action.	Ongoing

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