



Status Update on Audit Recommendations from Internal Audit Reports as of December 31, 2022

Item 11A

March 6, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-32

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Director, Internal Audit

Date: February 22, 2023

PURPOSE:

The purpose of this report is to provide the BIFAC with the status of Internal Audit's follow-up on outstanding recommendations set out in Internal Audit reports submitted to BIFAC during its public sessions as of December 31, 2022.

RECOMMENDATION:

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

REASONS FOR RECOMMENDATION:

Background

The Internal Audit Department reports to the BIFAC on its follow-up of all open audit recommendations from previously issued Internal Audit reports to ensure Management has taken appropriate action to implement those recommendations.

Reports Issued

This report presents the review of the outstanding audit recommendations from the following report presented in BIFAC's public session:

Report Title	Date presented to BIFAC
<i>Tenant Parking Charges Monitoring</i>	April 12, 2018

Status as on December 31, 2022

The implementation status of the recommendations contained in the above report is summarized in the following table:

Report Title	Total No. of Recs.	Implemented	In Progress	Not Started
<i>Tenant Parking Charges Monitoring</i>	6	0	5	1
Total	6	0	5	1

Attachment 1 to this report sets out the recommendations that are in progress.

Attachment 2 to this report sets out the recommendations that have not been started.

In the above-mentioned attachments, revised target dates provided by Management (as of the latest update) have been highlighted in green fonts if they are within two years from the date our audit report was presented to BIFAC and in red fonts if they are beyond two years.

IMPLICATIONS AND RISKS:

Recommendations from Internal Audit reports are meant to improve the internal controls and processes of TCHC. Such recommendations hold little value if they are not fully and timely implemented by the Management. By conducting follow-up procedures, we are able to assess Management's implementation of those recommendations.

SIGNATURE:

“Karim Jessani”

Karim Jessani
Director, Internal Audit

ATTACHMENTS:

1. Internal Audit Recommendations – In Progress as of December 31, 2022
2. Internal Audit Recommendations – Not Started as of December 31, 2022

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Recommendation	Status Update	Target Date	Staff
	<p>Lot audits are almost complete and will then be reconciled with HoMES and spreadsheets.</p> <p>CSU is in the process of auditing all of TCHC's Parking Lots. This work has been slowed as a result of impacts related to COVID-19. To date 377 of 551 Audits have been completed.</p> <p>Parallel to the Roll out of HoMES Implementation phase 2, a consolidated inventory count of all TCHC Parking Spaces was completed.</p> <p>Discrepancies found during the inventory count have been manually reconciled by staff and uploaded to the HoMES system and the existing Inventory Spread sheets.</p> <p>CSU to Partner with, Operations and The HoMES implementation team to ensure that an inventory count of parking assets is reconciled prior to the Phase two Implementation of HoMES in Q2 2021.</p>	<p>Q3-2022</p> <p>Q3-2021</p> <p>Revised from Q2-2021</p>	

Recommendation	Status Update	Target Date	Staff
<p>1(b) Management take steps necessary to ensure the security and integrity of the data in the parking</p>	<p>Reconciled information to update in Yardi/Voyageur which will replace the Spread Sheets as the primary repository for Parking related data.</p> <p>As part of the transition of the Operations Division staff will be transferred to the Regional Offices on March 31, at which point vacancies in the parking team will be filled, and there will be capacity to address the recommendations.</p> <p>Delayed due to restructuring. Asset Management conducted an inventory count of all parking spaces by mid- December 2018.</p> <p>Asset Management is in the process of reconciling the results of the inventory count to the parking spreadsheets for the accuracy of data.</p> <p>Staffing turnover and shortages has resulted in a delay in completing this recommendation.</p> <p>As of June 2021, HoMES has replaced the Excel Spread sheets as the source</p>	<p>Revised from Q1-2020</p> <p>Revised from Q3-2018</p> <p>Q3-2022</p>	

Recommendation	Status Update	Target Date	Staff
	<p>prior to the transfer of data to HoMES.</p> <p>To commence on completion of parking inventory which is in progress. (Recommendation #1(a)).</p> <p>As part of the transition of the Operations Division staff will be transferred to the Regional Offices on March 31, at which point vacancies in the parking team will be filled, and there will be capacity to address the recommendations.</p>	<p>Revised from Q4-2020</p> <p>Revised from Q2-2018</p>	
<p>2. Management perform a periodic analysis of a sample of tenant parking data to billing information for both DM and CM buildings, as a detective control to ensure tenants are paying for parking.</p>	<p><i>The analysis of tenant parking data was completed in Q3 2022. During the analysis, HoMES showed that some tenants in formerly contract managed properties were showing as "NO TENANT CHARGES". The CSU has engaged with Yardi to determine if this issue is a result of a system error, or improper entry at the HUB level.</i></p> <p><i>To ensure this item is completed and provides the most accurate information this item is on-going at this time.</i></p>	<p>Q3-2023</p>	<p>Allan Britton</p>

Recommendation	Status Update	Target Date	Staff
	leveraged to run standardized reports.	Q2-2021 Revised from Q4-2020 Revised from Q2-2018	
<p>3. Management support the PEO enforcement process by (i) replacing the current barcode reader program/process with a simpler, more viable option and (ii) ensuring the PEOs can access up-to-date parking data and information from the field.</p>	<p><i>Yardi has completed the creation of a Parking App, which was presented to the CSU. The CSU conducted an intensive review of the app and identified areas of improvement as well as comments on items which would improve performance and user experience.</i></p> <p><i>Yardi has taken the comments and feedback and is currently working to make improvements to the app.</i></p> <p><i>The CSU notes that based on there review, the app will be a significant improvement once implemented.</i></p> <p><i>Yardi has not provided an estimated time of completion for the edits, as such it is anticipated to be complete in either Q2 or Q3 2023, without additional delays.</i></p> <p>=====</p>	<p>Q3-2023</p>	<p>Allan Britton</p>

Recommendation	Status Update	Target Date	Staff
	<p>out post COVID due to the need for staff and tenant interaction through the registration process and will be supported by Hub staff once the Hubs have opened.</p> <p>Work to replace the current Barcode Parking Permit with a more cost efficient Permit type is ongoing. Yardi / Voyageur is in process of developing a solution to simplify the ability of PEO's to access up to date Parking data.</p> <p>Work to replace the current Barcode Parking Permit with a more cost efficient Permit type is ongoing. Yardi / Voyageur to be leveraged to simplify the ability of PEO's to access up to date Parking data.</p>	<p>Q4-2021</p> <p>Revised from Q2-2021</p> <p>Revised from Q4-2020</p> <p>Revised from Q1-2019</p>	
<p>4. Management develop a risk-based method of parking enforcement assignments in order to make the best use of limited resources.</p>	<p><i>The CSU currently uses a risk based approach to assigning patrols to Parking Enforcement staff through the Directed Patrol App.</i></p> <p><i>Information is provided to Community Safety Advisors</i></p>	<p>Q4-2023</p>	<p>Allan Britton</p>

Recommendation	Status Update	Target Date	Staff
	<p><i>through the HUB level and direct tenant concerns and patrols as assigned in accordance.</i></p> <p><i>The CSU continues to work with the Toronto Police Service Parking Enforcement section to obtain handheld ticket devices which will significantly improve the time required to complete tickets and overall accuracy. The CSU is also continuing to work with TPS to determine if a scanner would be beneficial to the organization. Current processes prevent the CSU from scanning tickets directly. The use of handheld devices would eliminate the need for these scanners. This items continues to be on-going due to delays in communication with TPS.</i></p> <p>=====</p> <p>CSU has a directed patrol application. TCHC has added parking into this app and is tracking communities where there are complaints in regards to parking. CSU will assign patrols to areas with increased parking</p>	<p>Q4-2022</p>	

Recommendation	Status Update	Target Date	Staff
	<p>complaints. CSU is also working with TPS to acquire a scanner. When officers complete their parking tickets they will be able to scan tickets to the scanner and directly send it to TPS for future court purposes and able to pull analytics out of that software.</p> <p>Hand held technology is being tested by Toronto Parking Authority, but only since the beginning of July. Directed parking patrols and PEO knowledge of busy parking lots (referred to as "risk" by auditors) allows for focus of resources to where they are needed.</p> <p>COVID 19 has resulted in diminished enforcement capacity as a result of the City suspending parking enforcement for large periods of time during the pandemic and TCHC's limited capacity to hire new Parking Enforcement Officers during the pandemic has impacted our ability to collect data that would support risk based method of parking enforcement. This will be revisited once the province is further along in the reopening framework</p>	<p>Q3-2022</p>	

Recommendation	Status Update	Target Date	Staff
	<p>and business operations and data collection are better positioned to support this work.</p> <p>In 2021 The administration of The Parking Program has transitioned to the CSU. CSU to leverage parking data to inform effective enforcement strategies.</p>	<p>Q4-2021</p> <p>Revised from Q2-2021</p> <p>Revised from Q4-2020</p> <p>Revised from Q3-2018</p>	
<p>5. Management review the functionality of all processes and systems used to record parking permits and offence data and, where feasible (i) increase the automation of the data capture and (ii) identify fewer systems to replace the current legacy systems.</p>	<p><i>The implementation of handheld technology will increase the automatic data capture and, it is expected, will expand the amount of data recorded.</i></p> <p><i>The legacy system issue will be resolved with the completion of the Yardi Parking Management App in HoMES. This will allow for registration, permit issuance, vehicle records, parking space allocation and tenant identification to be contained and accessible in a single location.</i></p>	<p>Q4-2023</p>	<p>Allan Britton</p>

Recommendation	Status Update	Target Date	Staff
	<p><i>The MTO has not provided additional guidance on “road worthy” vehicles. Vehicles will need to be investigated to determine their road worthiness. TCHC will have to take parkers at their word that the vehicle is “road worthy” as sticker issuance no longer occurs.</i></p> <p>=====</p> <p>TCHC will need to re-write this policy. TCHC had originally completed 80% of this policy, but the Province had revoked the issuance of validation stickers as part of the license renewal process, which implicated TCHC's policy. TCHC is waiting on guidance from the Ministry of Transportation to validate how a car is actually "road worthy". Previously, there was no technology for tracking parking. No update from MTO re: "road worthy". Policy re-write is in early stages.</p> <p>Implementation of this business process is contingent upon the successful launch of Track 2B scheduled for May 2022. Additionally, maybe reliant</p>	<p>Q4-2023</p> <p>Q3-2022</p>	

Recommendation	Status Update	Target Date	Staff
	<p>upon the successful implementation of handheld technology and specialized scanners to enhance records keeping.</p> <p>This will require further deployment of HoMES across the TCHC portfolio and will also be impacted by any delays in CSU's ability to onboard an efficient Records Management System. The current CORA safety reporting application cannot support these improvements.</p> <p>This will require investments in handheld and other parking enforcement related technology.</p>	<p>Q4-2021</p> <p>Revised from Q2-2021</p> <p>Revised from Q4-2020</p> <p>Revised from Q1-2019</p>	

Recommendation	Status Update	Target Date	Staff
	<p>parking lots across the company that are approved for pay-and-display parking. Active pursuit of this recommendation has not yet begun. It is known that 3rd party enforcement of TCHC lots is NOT permissible under City Municipal Code. TPS - CSS manual states at section 2.1.9: Sites must be approved by CSS before enforcement shall occur. Only one company will be approved to enforce parking bylaws on any one site.</p> <p>As a result of competing priorities related to COVID 19, FM and CSU have agreed that this piece of work must be delayed until we have moved further out of the pandemic.</p> <p>Staff recommendation is to consider eliminating the reliance on 3rd party providers to manage this program. Consideration should be given examining the feasibility of bringing this work In-House in an effort to reduce Overhead and provide real time information that can be leveraged to inform effective enforcement strategies.</p>	<p>Q4-2022</p> <p>Q4-2021</p> <p>Revised from Q2-2021</p> <p>Revised from Q4-2020</p> <p>Revised from Q1-2019</p>	



Recommendation	Status Update	Target Date	Staff
	Delayed due to restructuring and COVID-19		