

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
То:	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
Tenant Parking Charges Monitoring	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
Tenant Parking Charges Monitoring	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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Item 11A - Status Update on Audit Recommendations from Internal Audit Reports as of December 31, 2022 Public BIFAC Meeting - March 6, 2023 Report #: BIFAC:2023-32

Attachment 1 Toronto Community Housing Corporation Internal Audit Department Internal Audit Recommendations In Progress as of December 31, 2022

Report: Tenant Parking Charges Monitoring Audit **Presented to BIFAC on:** April 12, 2018

Recommendation	Status Update	Target Date	Staff
1(a) Management conduct an inventory count of parking spaces in the TCHC portfolio. The results of the inventory count should be reconciled to the parking spreadsheets.	The physical audit of all TCHC lots has been completed. The CSU is now reconciling the audits versus what exists in HoMES. Due to staffing limitations this has been assigned to a single individual to complete and is extremely labour intensive. Due to the amount of time require to reconcile information, identify and resolve issues this project continues to be in-progress.	Q3-2023	Allan Britton
	CSU will audit lots (weather permitting). Took information from sheets and migrated it to Voyageur. CSU is going out and completing physical audits (weather permitted). CSU will assign interns to take physical audits and update the HoMES inventory	Q3-2022	



Recommendation	Status Update	Target Date	Staff
	Lot audits are almost complete and will then be reconciled with HoMES and spreadsheets.		
	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.	Q3-2022	
	Parallel to the Role out of HoMES Implementation phase 2, a consolidated inventory count of all TCHC Parking Spaces was completed.	Q3-2021	
	Discrepancies found during the inventory count have been manually reconciled by staff and uploaded to the HoMES system and the existing Inventory Spread sheets.		
	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.	Revised from Q2-2021	



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



Recommendation	Status Update	Target Date	Staff
spreadsheets (e.g. access controls, version control, audit trails).	of truth for parking related information for all Directly Managed Properties - Between January 17th 2022 and April 30th 2022 Contracted Managed sites will be on boarded to HoMES making any future reliance on the excel spreadsheets unnecessary	04 2021	
	Staff have begun the process of manually cleaning up discrepancies and making related record adjustments to HMS / HoMES, and the asset management database known as AIMS.	Q4-2021	
	Controls have been built into HoMES that limit staff authority to change the description of parking space categories within the system.		
	Significant errors identified in former West region Contract Managed properties has slowed progress however we remain on track for completion in Q4 2021.		
	Integrity of data to be reconciled and cleansed	Revised from Q2-2021	



Recommendation	Status Update	Target Date	Staff
	prior to the transfer of data to HoMES. To commence on completion of parking inventory which is in progress. (Recommendation #1(a)). 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.	Revised from Q4-2020 Revised from Q2-2018	
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.	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. To ensure this item is completed and provides the most accurate information this item is on-going at this time.	Q3-2023	Allan Britton



Recommendation	Status Update	Target Date	Staff
	Tenant parking data and rentable item charges will be available through HoMES (track 2b). TCHC has identified leases that qualify for free parking and have been noted in the system. CSU is updating the list to show what rentable items should be. Management worked with ITS to identify accounts with invalid information (cleaned up 90% of the discrepancies). No Change.	Q3-2022	
	Implementation of this business process is contingent upon the successful launch of Track 2B scheduled for May 2022.	Q3-2022	
	Current state there is a challenge to separating the Parking and Rental Revenue, it is expected that through further developments of the HoMES implementation that this issue will be resolved.		
	Process to be built into a refresh of the Parking Program and Yardi/Voyageur will be	Q4-2021 Revised from	



Decommondation	Statua Undata	Target	Staff
Recommendation	Status Update	Date	Staff
	leveraged to run	Q2-2021	
	standardized reports.		
		Revised	
		from	
		Q4-2020	
		Revised	
		from	
		Q2-2018	
3. Management	Yardi has completed the	Q3-2023	Allan
support the PEO	creation of a Parking App,		Britton
enforcement process	which was presented to the		
by (i) replacing the	CSU. The CSU conducted		
current barcode	an intensive review of the		
reader	app and identified areas of		
program/process with	improvement as well as		
a simpler, more viable	comments on items which		
option and (ii)	would improve performance		
ensuring the PEOs	and user experience.		
can access up-to-date			
parking data and	Yardi has taken the		
information from the	comments and feedback		
field.	and is currently working to		
	make improvements to the		
	app.		
	The CSU notes that based		
	on there review, the app will		
	be a significant improvement		
	once implemented.		
	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.		
	=====		



Recommendation	Status Update	Target Date	Staff
	Yardi is developing a parking app that will allow TCHC to assign a QR code to each parking permit number. That program will be accessible to the parking enforcement officers through company issued phones. They will be able to photograph the permit and it will take them right into the tenant parking account to inform whether or not the account is active. Yardi has developed the app and is testing it. Will enable searches by license plate, QR code and parking space/address. No cost to TCHC to develop as Yardi have written the app to be marketable for them. user fees would likely apply.	Q4-2022	
	 i) Newly designed permits with a QR code have been designed and management is obtaining quotes. These permits can be scanned from a handheld device that is supported by a HoMES Parking Application. ii) The Parking Application will provide CSU staff with updated information. Note: The refresh of the parking permit will be rolled 	Q3-2022	



Recommendation	Status Update	Target Date	Staff
	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. 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.	Q4-2021	
	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.	Revised from Q2-2021 Revised from Q4-2020	
		Revised from Q1-2019	
4. Management develop a risk-based method of parking enforcement assignments in order to make the best use	The CSU currently uses a risk based approach to assigning patrols to Parking Enforcement staff through the Directed Patrol App.	Q4-2023	Allan Britton
of limited resources.	Information is provided to Community Safety Advisors		



Recommendation	Status Update	Target Date	Staff
	through the HUB level and		
	direct tenant concerns and		
	patrols as assigned in		
	accordance.		
	The COLL continues to work		
	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.		
	CSI has a directed patrol	04 2022	
	CSU has a directed patrol	Q4-2022	
	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		



Recommendation	Status Update	Target Date	Staff
	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. 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.		
	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	Q3-2022	



Recommendation	Status Update	Target Date	Staff
	and business operations and data collection are better positioned to support this work.		
	In 2021 The administration	Q4-2021	
	of The Parking Program has transitioned to the CSU. CSU to leverage parking	Revised from	
	data to inform effective enforcement strategies.	Q2-2021	
		Revised from Q4-2020	
		Revised from Q3-2018	
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.	The implementation of handheld technology will increase the automatic data capture and, it is expected, will expand the amount of data recorded. 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.	Q4-2023	Allan Britton



Recommendation	Status Update	Target Date	Staff
	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. 	Q4-2023	
	No update from MTO re: "road worthy". Policy re-write is in early stages.		
	Implementation of this business process is contingent upon the successful launch of Track 2B scheduled for May 2022. Additionally, maybe reliant	Q3-2022	



Recommendation	Status Update	Target Date	Staff
	upon the successful implementation of handheld technology and specialized scanners to enhance records keeping.		
	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.		
	This will require investments in handheld and other parking enforcement related technology.	Q4-2021 Revised from Q2-2021	
		Revised from Q4-2020	
		Revised from Q1-2019	



Item 11A - Status Update on Audit Recommendations from Internal Audit Reports as of December 31, 2022 Public BIFAC Meeting - March 6, 2023 Community Report #: BIFAC:2023-32

Attachment 2 **Toronto Community Housing Corporation Internal Audit Department Internal Audit Recommendations** Not Started as of December 31, 2022

Report: Tenant Parking Charges Monitoring Audit Presented to BIFAC on: April 12, 2018

Recommendation	Status Update	Target Date	Staff
6. Management determine the feasibility, including the cost/benefit, of increasing the use of a third-party service provider to administer all or part of the TCHC Parking Program, including enforcement.	This item remains on hold at this time due to limitations set forth by municipal by- laws and other implicated areas. For progress to occur, changes would be required to the City of Toronto Municipal Code, which are unlikely to be accepted. As previously stated, enforcement cannot be taken over by a 3 rd party provider due to regulations set forth in the Municipal Code as well as by Toronto Police Parking Enforcement Contract Services Section.	Q4-2023	<i>Allan Britton</i>
	TCHC will engage a cost- benefit analysis related to the feasibility of bringing third-party parking, and undergo a potential pilot of pay-and-display parking lots at TCHC. There are 53	Q4-2023	



Recommendation	Status Update	Target Date	Staff
	 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. 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 	Q4-2022	
	of the pandemic. 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.	Q4-2021 Revised from Q2-2021 Revised from Q4-2020 Revised from Q1-2019	



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