Toronto Community Housing

Status Update on Audit Recommendations from Internal Audit Reports as of June 30, 2022

Item 10
September 8, 2022
Building Investment, Finance and Audit Committee

Report:	BIFAC:2022-134
To:	Building Investment, Finance and Audit Committee (BIFAC)
From:	Director, Internal Audit
Date:	August 25, 2022

PURPOSE:

The purpose of this report is to provide the BIFAC with status on Internal Audit's follow-up on outstanding recommendations set out in Internal Audit reports submitted to BIFAC during its public sessions as of June 30, 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 our 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 June 30, 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 the Management (as of the latest update) have been highlighted in green fonts if they are within 2 years from the date our audit report was presented to BIFAC and in red fonts if they are beyond 2 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 June 30, 2022
2. Internal Audit Recommendations – Not Started as of June 30, 2022

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Attachment 1
Toronto Community Housing Corporation Internal Audit Department
Internal Audit Recommendations – In Progress as of
June 30, 2022

Report: Tenant Parking Charges Monitoring
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.	*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. Lot audits are almost complete and will then be reconciled with HoMES and spreadsheets.* =======	*Q3-2022*	*Allan Britton*
	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	**Q3-2021**	

Recommendation:	Status Update:	Target Date:	Staff:
	Parking Spaces was completed. 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. Reconciled information to update in Yardi/Voyageur which will replace the Spread Sheets as the primary repository for Parking related data. 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. Delayed due to restructuring.	**Revised from Q2-2021** **Revised from Q1-2020**	

Recommendation:	Status Update:	Target Date:	Staff:
	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 recommendation.	**Revised from Q3-2018**	
1(b) Management take steps necessary to ensure the security and integrity of the data in the parking spreadsheets (e.g. access controls, version control, audit trails).	As of June 2021, HoMES has replaced the Excel Spread sheets as the source 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.	**Q3-2022**	
	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**	

Recommendation:	Status Update:	Target Date:	Staff:
	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 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 Q2-2021** **Revised from Q4-2020** **Revised from Q2-2018**	
2. Management perform a periodic analysis of a sample	*Tenant parking data and rentable item charges will be available through HoMES*	*Q3-2022*	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
of tenant parking data to billing information for both DM and CM buildings, as a detective control to ensure tenants are paying for parking.	*(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.* =====		
	Implementation of this business process is contingent upon the successful launch of Track 2B scheduled for May 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.	**Q3-2022**	
	Process to be built into a refresh of the Parking Program and Yardi/Voyageur will be leveraged to run standardized reports.	**Q4-2021** **Revised from Q2-2021** **Revised from**	

Recommendation:	Status Update:	Target Date:	Staff:
		Q4-2020 **Revised from Q2-2018**	
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.	*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.* ===== 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	*Q4-2022* **Q3-2022**	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
	Parking Application. *ii)* The Parking Application will provide CSU staff with updated information. Note: The refresh of the parking permit will be rolled 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	*CSU has a directed patrol application. TCHC has added parking into this app*	**Q4-2022**	***Allan Britton***

Recommendation:	Status Update:	Target Date:	Staff:
enforcement assignments in order to make the best use of limited resources.	*and is tracking communities where there are complaints in regards to parking. CSU will assign patrols to areas with increased parking 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	**Q3-2022**	

Recommendation:	Status Update:	Target Date:	Staff:
	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 and business operations and data collection are better positioned to support this work. In 2021 The administration of The Parking Program has transitioned to the CSU. CSU to leverage parking data to inform effective enforcement strategies.	**Q4-2021** **Revised from 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	*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*	*Q4-2023*	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
to replace the current legacy systems.	*was no technology for tracking parking.* *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 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.	**Q3-2022** **Q4-2021** **Revised from Q2-2021**	

Recommendation:	Status Update:	Target Date:	Staff:
		Revised from Q4-2020 **Revised from Q1-2019**	

Attachment 2
Toronto Community Housing Corporation Internal Audit Department
Internal Audit Recommendations – Not Started as at
June 30, 2022

Report: Tenant Parking Charges Monitoring
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.	*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 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.* =====	*Q4-2023*	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
	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. 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. Delayed due to restructuring and COVID-19.	**Q4-2022** **Q4-2021** **Revised from Q2-2021** **Revised from Q4-2020** **Revised from Q1-2019**	