Toronto Community Housing

Status Update on Audit Recommendations from Internal Audit Reports as of December 31, 2021.
Item 2E
April 8, 2022
Building Investment, Finance and Audit Committee

Report:	BIFAC:2022-45
To:	Building Investment, Finance and Audit Committee ("BIFAC")
From:	Director, Internal Audit
Date:	March 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 December 31, 2021.

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 Dec. 31, 2021

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	2	4
Total	**6**	**0**	**2**	**4**

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 3 years from the date our audit report was presented to BIFAC and in red fonts if they are beyond 3 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*"

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Karim Jessani
Director, Internal Audit

ATTACHMENTS:
1. Internal Audit Recommendations – In Progress as of December 31, 2021
2. Internal Audit Recommendations – Not Started as of December 31, 2021

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Attachment 1
Toronto Community Housing Corporation Internal Audit Department
Internal Audit Recommendations – In Progress as of
December 31, 2021

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 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.* ===== Parallel to the Role out of HoMES Implementation phase 2, a consolidated inventory count of all TCHC 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	*Q3-2022* Q3-2021 **Revised from Q2-2021**	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
	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 Q1-2020**	
	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	**Revised from Q3-2018**	

Recommendation:	Status Update:	Target Date:	Staff:
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).	delay in completing this recommendation. *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* ===== 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. 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	**Q3-2022** **Q4-2021**	***Allan Britton***

Recommendation:	Status Update:	Target Date:	Staff:
	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**	
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.	*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 out post COVID due to the need for staff and tenant*	*Q3-2022*	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
	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**	

Attachment 2
Toronto Community Housing Corporation Internal Audit Department
Internal Audit Recommendations – Not Started as at
December 31, 2021

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

Recommendation:	Status Update:	Target Date:	Staff:
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.	*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.* ===== Process to be built into a refresh of the Parking Program and Yardi/Voyageur will be leveraged to run standardized reports.	*Q3-2022* **Q4-2021** **Revised from Q2-2021** **Revised from Q4-2020** **Revised from Q2-2018**	*Allan Britton*
4. Management develop a risk-based method of parking	*COVID 19 has resulted in diminished enforcement*	*Q3-2022*	*Allan Britton*

Recommendation:	Status Update:	Target Date:	Staff:
enforcement assignments in order to make the best use of limited resources.	*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 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)	*Implementation of this business process is contingent upon the successful launch of Track 2B scheduled for May 2022.*	**Q3-2022**	***Allan Britton***

Recommendation:	Status Update:	Target Date:	Staff:
increase the automation of the data capture and (ii) identify fewer systems to replace the current legacy systems.	*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.	**Q4-2021** **Revised from Q2-2021** **Revised from Q4-2020** **Revised from Q1-2019**	
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	*As a result of competing priorities related to COVID 19, FM and CSU have agreed that this piece of work must be delayed until*	**Q4-2022**	***Allan Britton***

Recommendation:	Status Update:	Target Date:	Staff:
TCHC Parking Program, including enforcement.	*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	**Q4-2021** **Revised from Q2-2021** **Revised from Q4-2020** **Revised from Q1-2019**	