

Clause 4 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 25, 2015.

4

Audit Services Branch Report

Audit Committee recommends adoption of the following recommendation contained in the report dated May 26, 2015 from the Director, Audit Services:

1. Recommendation

It is recommended that this report be received for information.

2. Purpose

This report provides an update on the activities of the Audit Services Branch since the last Audit Committee meeting.

3. Background

On October 11, 2000, the Audit Committee approved the development of the Audit Services function through the report of the Chief Administrative Officer. The Audit Committee Charter indicates the Audit Committee is to meet at least twice a year. In practice, the Audit Committee usually meets three times a year to receive updates on the activities of the Audit Services Branch.

4. Analysis and Options

Audit Plan Execution

The Audit Services Branch has been actively executing the approved 2015-2018 Three Year Audit Plan and other consulting engagements. A summary of the activities since the previous Audit Committee meeting is outlined in Attachment 1.

Audit Services Branch Report

Audit Reports Issued

The audit reports issued since the last Audit Committee meeting are:

- York Region Transit Revenue Management Audit Report (Attachment 2)
- Environmental Services – Environmental Promotion and Protection – Solid Waste Operations & Optimization – Source Separated Organics Contract Compliance (Attachment 3)
- Outstanding Audit Recommendations Follow Up Audit Report (Attachment 4)

5. Financial Implications

None.

6. Local Municipal Impact

None.

7. Conclusion

A follow up of outstanding audit recommendations for audit reports issued prior to March 31, 2015 indicates that management remains cognisant and active in implementing Audit Services recommendations.

Audit Services continues to work with Region management at all levels to provide them with an independent, objective assurance and consulting activity designed to add value and improve the Region's operations. Audit Services does this by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes through guidance provided by the *International Standards for the Professional Practise of Internal Auditing*.

Audit Services Branch Report

For more information on this report, please contact Paul Duggan, Director, Audit Services at 905-830-4444 ext. 71205.

May 26, 2015

Attachments (4)

6134434

Accessible formats or communication supports are available upon request

YORK REGION AUDIT SERVICES BRANCH ACTIVITIES

Project Name	Status
1. York Region Transit Revenue Management Audit Report	➤ Completed
2. Environmental Services – Environmental Promotion and Protection – Solid Waste Operations & Optimization – Source Separated Organics Contract Compliance	➤ Completed
3. Outstanding Audit Recommendations Follow Up	➤ Completed
4. Management Request – POA Courts Review	➤ Completed
5. Management Request – Property Services Expenditure Review	➤ Completed
6. Finance - Revenue Management - Management Controls Audit	➤ Planning
7. Community and Health Services - Medic-Safe Drug Dispensing System (LTC & EMS)	➤ Planning
8. Management Request – Environmental Services – EEMS++ - data quality	➤ In progress
9. Management Request – YRRTC Review	➤ Planning
10. Forensic Investigation	➤ In progress
11. Steering Committee – HRIMS and Payroll Review	➤ Advisory role
12. Member – Corporate Mobile Strategy Working Group	➤ Advisory role
13. ITS Governance – Portfolio Management Committee	➤ Advisory role
14. York Region Audit Services staff volunteer their time and collectively hold the following positions: <ul style="list-style-type: none"> • Chair, Treasurer and Director of the Canadian Association of Local Government Auditors • Member, Association of Local Government Auditors Association Awards Committee, Nomination Committee and Advocacy Committee 	➤ Volunteer Association work



***York Region Transit (YRT/Viva) Revenue
Management Audit Report***

April 2015

TABLE OF CONTENTS

Section	Page No.
1.0 MANAGEMENT SUMMARY	2
2.0 INTRODUCTION.....	2
3.0 OBJECTIVES AND SCOPE	3
4.0 DETAILED OBSERVATIONS	4
4.1 ACCESS SECURITY.....	4
4.2 TRACKING & RECONCILIATIONS	6
4.3 TICKET AGENT CONTRACTS & MANAGEMENT.....	7
4.4 FRONT COUNTER CASH CONTROLS	8
4.5 RESULTS OF DETAILED TESTING - REVENUE & INVENTORY RECONCILIATIONS.....	8

1.0 Management Summary

We have completed an audit of the Region's York Region Transit (YRT/Viva) Revenue Management area within the Transportation Services Branch. The focus of our review was to determine whether controls are in place to ensure that YRT/Viva revenues are properly managed, accounted for and complete including the accuracy and reliability of systems/technology, and revenues are reconciled on a timely basis. The audit also included a detailed review of ticket inventory management and third party contracts and Ticket Agent agreements. *Note: this audit did not include a detailed review or testing of presto card revenue. Limited testing was however performed to ensure reconciliations were routinely being completed.*

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

The scope of the audit included a review of related policies and procedures, third party contract terms/conditions, cash/inventory handling and access security, fare collection process, information systems supporting the process, and detailed testing of a sample of fare box and Viva revenue reconciliations, ticket agent sales, and inventory reconciliations. In addition, onsite visits were conducted at Inkas (coin collector agency) and two of the three YRT/Viva garages to observe and evaluate controls over the collection, processing and storage/security of fare revenues.

Based on the work Audit Services performed, it was concluded that overall the Region is managing the YRT/Viva Revenue process in a satisfactory manner; however the internal controls surrounding the protection and physical security of YRT/Viva cash and inventory were found to be inadequate as they are currently designed. Additional opportunities for internal control improvements were noted and discussed with the appropriate management, which include improved software/system to support the tracking and reconciliation of revenues, increased security of assets, and better management of Agent contract terms and expires. Our recommendations have been provided in the body of the report.

Should the reader have any questions or require a more detailed understanding of the risk assessment and sampling decisions made during this audit, please contact the Director, Audit Services.

Audit Services would like to thank YRT/Viva staff and management for their co-operation and assistance provided during the audit.

2.0 Introduction

The Transit branch is comprised of approximately 150 staff (PFT & PPT) with an annual operating budget for 2015 of \$195,613,000. YRT/Viva Revenue is managed within the Finance, Budgets & Business Planning area under the Strategic Business Planning Branch. This branch provides strategic planning, financial, administrative and logistical support for the Department.

YRT/Viva Fare Revenue includes regular ticket/pass revenue, YRT/Viva & TTC fare box revenue, Viva machine revenue, Presto revenue, and other fare revenues through fare integration agreements. Annual fare revenue for 2014 was \$64,394,298 and the annual budgeted revenue for 2015 is \$67,341,451.

3.0 Objectives and Scope

The objectives of this engagement were to ensure:

- Controls are in place to ensure that YRT/Viva revenue is properly managed, controlled and that risks are minimized.
- Controls over the calculation, collection, and reconciliation of YRT/Viva revenues are adequate to ensure completeness of revenues and safeguarding of funds.
- Ticket inventory is appropriately managed including reconciliations and physical security.
- Compliance with internal policies/procedure and third party contractual terms and conditions.

The audit objectives were accomplished through:

1. Interviews with appropriate personnel.
2. Review of policies/procedures, third party contracts, and other related documents.
3. Detailed testing of transactions and reconciliations.
4. Observation of appropriate personnel, including cash collection, and reconciliations.
5. Review and testing of related documentation.
6. On site visits and observations at third party contractors.

4.0 Detailed Observations

4.1 Access Security

Observation

The following concerns were noted surrounding access security of YRT/Viva ticket inventory and cash;

- The door to the vault room is kept open during the day. Due to current spacing constraints, there is an employee working in the vault room and therefore the door remains open during the day. The vault room contains all fare media ticket inventory, ticket rolls, daily deposits, front counter float, and keys.
- There were two (2) clear bags full of cash and tickets observed on the floor in the vault room and numerous clear bags containing envelopes with fares collected from broken fare boxes sitting on the table. Based on discussions with staff, the two large clear bags were collected by YRT/Viva Enforcement staff as part of the annual audit spot testing of fare boxes. The envelopes with broken fare box cash are routinely kept on the table to be reconciled and deposited by staff. Note: the safe in the vault room is relatively small and would not accommodate these envelopes/bags.
- Ticket inventory (fare media) is not secured within the vault room. All ticket inventory is stored on open shelves in the vault room and therefore currently accessible by all staff as the vault door remains open during the day. YRT/Viva Fare Media tickets are preprinted negotiable ticket inventory with monetary value. Based on the December 2014 inventory listing and 2014 fares, there was an estimated \$1.5 million in ticket/pass inventory stored in the vault at the time of the December count. The December inventory stock is considered a representative average of the monthly inventory on hand in the vault.
- Keys to the locked drawers in the vault that contain cash are kept in an accessible box on a shelf in the vault.
- There was no key inventory list for key access to the safe in the vault room. The safe is used to store front counter deposits and any other deposits, such as agent inventory sale cheques. Note: subsequent to audits request for a listing, a list of key holders to the safe was compiled by staff and provided to audit.
- As of audit fieldwork date, there are nineteen (19) staff with swipe card access to the vault room, which included one (1) GIS technologist. Based on discussions with the Revenue Supervisor, access should never have been provided to the GIS staff and security had no documentation to support the access. Access for this employee was subsequently removed.

Recommendation

- Staff should be relocated out of the vault room.
- The vault room door should remain closed and locked at all times to prevent unauthorized access and potential theft/misplacement of inventory/cash.\
- Management should consider implementing a policy requiring two staff to be present when entering/accessing the vault room.
- Management should ensure the key and swipe card list are maintained and routinely reviewed to ensure access is limited and provided only to staff who require access as part of their regular job function.
- Management should review the current listing and where possible remove access if not required.
- Ticket inventory should be securely stored within the vault with controlled employee access.
- Any cash from broken fare boxes or for audit testing should be secured in the safe within the vault room. Management should consider replacing the existing safe with a larger more appropriate size safe to ensure all cash can be properly secured.

Management Response

- Management agrees. This was necessitated by space constraints on the 5th floor and the growth in workload/resources. Staff desks were relocated from the vault on Wednesday April 29, 2015.
- Management agrees. The staff desks have been removed from the vault, the duration of work activities in the vault will be reduced and the vault door will remain shut at all times, including when staff are working in the vault.
- Management recommends an alternate solution. The dual presence requirement would negatively impact staff productivity, therefore another solution is being recommended. Camera(s) will be installed, thereby eliminating the requirement of 2 staff being present when entering/accessing the vault. YRT/Viva Enforcement management has been requested to assess needs and recommend appropriate quantity and positioning. The solution applied in Courts is presently being assessed and will be applied to the transit vault by Q3 2015.
- Management agrees. The vault security access list has been updated to remove access to those who no longer require access. Revised list now has 10 staff with access. Corporate Security has been advised to provide Vault Access to only staff approved by the Manager, Finance, Budgets and Business Planning. The Access list will be reviewed on a quarterly basis to ensure only authorised staff have access to the Vault.

- Same response as last bullet.
- Management agrees. However, due to space limitations, a separate caged area for the ticket inventory is not practical in the short term; however, the installation of camera(s) should address this concern.
- Management agrees. However, due to space limitations, another large safe in the vault is not practical nor perhaps possible in the short term. It should be noted that not only is there a weight concern for the 5th floor, generally the bags contain value of only a few hundred dollars.

4.2 *Tracking & Reconciliations*

Observation

The YRT/Viva revenue reconciliation process and overall revenue tracking and management function are completed in and maintained by various Microsoft excel documents. Based on discussions with staff and the detailed testing completed, there is significant reliance on excel and staff are responsible for creating the excel worksheets including the coding and linking of information between multiple worksheets for both inventory management and revenue reconciliations. Heavy reliance on excel creates the opportunity for inconsistent data if two or more versions of a document exist, is very time consuming and there is increased opportunity for errors to go undetected, especially the risk of errors in formulas and calculations and the risks associated with governance and overall control of spreadsheets.

Based on discussions with staff and management, there was a project team put in place in early 2013 with a project plan initiated to improve the reporting and tracking capabilities within the PeopleSoft financial system in order to move away from excel, however this project was short lived with no real changes made.

Recommendation

Management should perform a detailed return on investment (ROI) calculation to determine if there is a benefit of investing in a new system/software if fare media (paper tickets) will continue to exist alongside the Presto card within the next two to three years.

If the ROI proves to be beneficial, Management should review the current reconciliation and reporting process and strongly consider moving away from the reliance on excel and implementing a new system and/or updating existing systems to better meet the needs of the department. Data should be entered and tracked in a system, not a spreadsheet, with built in approvals, automated data edit checks, workflows, and data input requirements.

Management Response

Management agrees. One such project was initiated in 2013. Unfortunately, shortly after the Peoplesoft upgrade project was initiated, it was put on hold due to resource availability (a key member of the team went on maternity leave) and another staff left on long term leave. Upon return from the maternity leave, the IT/Peoplesoft team did not have enough resources available to resume working on the project. At that time, management determined that due to anticipated PRESTO progress and paper media elimination, that no further investment was warranted. Although the timing has subsequently changed numerous times, the current anticipated date for paper elimination is less than 2 years away and thus no return on replacing current methods is anticipated.

The excel spreadsheets have been developed with automated data edit checks built into them to reduce possible errors. Staff has also been reminded to link workbooks and perform manual data refresh to reduce the risk of inconsistent data.

4.3 Ticket Agent Contracts & Management

Observation

The following was noted during the detailed testing of the ticket agent contracts and accounts receivable;

- Three (3) of the five (5) cash on demand (COD) agent contracts reviewed had expired in 2014.
- The non-COD contracts had no expiry date noted in the contract, renewal date or automatic renewal option and were all twelve years old or greater. In addition, a number of the terms were outdated and refer to GST and 30 day payment terms, and both are no longer applicable.
- The non-COD agent accounts receivable listing showed ten (10) out of sixty one (61) invoices greater than 30 days outstanding. The invoice payment terms require payment to be made “immediate”.

Recommendation

Management should review all COD agent contracts and prepare new contracts for all expiries. Management should update the non-COD blanket contract to ensure it reflects current terms and include a contract term/expiry and/or renewal option.

Management should request and review the Aging Report from Finance on a routine basis. Management should work with Finance to ensure all outstanding accounts are followed up with as required by the Collection of Accounts Policy.

Management Response

Management agrees. The process of reviewing and updating all existing contracts is already underway. This should be completed by Q3 2015.

Management will work with Corporate Finance to regularly obtain a copy of the Aging Report and will monitor and provide assistance to follow-up on overdue accounts per the Collection of Accounts policy.

4.4 *Front Counter Cash Controls*

Observation

The customer service counter at the YRT/Viva head office contains two cash tills, one for processing presto transactions and the second for all YRT/Viva ticket transactions. During our onsite review we observed that the cash register keys remain in the register during the day. Based on discussions with the front counter Admin Clerk, the presto register will not open when a transaction is processed and therefore the key is needed to operate. The YRT/Viva cash register will open without the key in the till; however the key is still kept in the till.

Recommendation

The presto register should be preprogramed to open when a transaction is processed. The cash register keys should be securely stored out of customer view and not kept in the till.

Management Response

Management agrees. However, as it would likely be too costly to request a redesign of the Presto equipment, Cash register keys will be securely stored out of customer view and not kept in the till between transactions.

4.5 *Results of Detailed Testing - Revenue & Inventory Reconciliations*

Observation

The following concerns were noted during the detailed testing of revenue and inventory reconciliations and management process:

- \$12,000 in toonies was requested from Inkas in April 2014 to be deducted from the weekly deposit and delivered to YRT/Viva head office to be used for testing of the

hopper change boxes. Based on discussions with staff and a review of the documentation, this request was made by the Revenue Administrator via email, however there was no approval given or required by higher level management. \$9,500 of the \$12,000 remained in a cabinet in the vault room for close to year, with the other \$2,500 said to be taken by Transit Maintenance staff (TMS) for testing purposes, however there was no sign off or verification of this money being used for testing.

- \$9,000 of the \$12,000 in toonies was found to be sitting on the floor by the Revenue Administrators desk during our audit fieldwork, which is in an unsecure open cubicle. Based on discussions with the staff, this was waiting to be picked up by Inkas to be deposited into the bank later that day.
- There was no inventory count performed in 2014 at Inkas of the Viva ticket roll inventory. Roll ticket inventory is to be counted quarterly to ensure stock is accurate and accounted for. Based on discussions with staff, this was not completed in 2014 as the employee responsible was off on sick leave and this task was not reassigned during this time.

Recommendation

All deposit hold back requests from Inkas should require dual approvals, including management sign off, and be used for testing in a timely manner. In addition, the TMS staff should be required to sign off when money is taken for testing purposes.

All cash should be securely stored in a locked safe/cabinet while awaiting Inkas pick up.

Management should ensure the inventory counts are performed at Inkas as required. If staffing changes occur, arrangements should be made to reassign the task to other staff.

Management Response

Management agrees. Though e-mails were used to track both the initial holdback requests and the issuance to TMS staff, a more formal approval process and issuance signoff process will be implemented moving forward. To be completed by Q2 2015.

All cash will be secured in the vault until picked up by the Armoured Car Company Inkas.

Management agrees. Inventory tracking for contents at Inkas has been maintained on a regular basis. The standard procedure is for a physical count at Inkas site on a quarterly basis, to be reconciled to our inventory records. It should be noted that the inventory at Inkas is of low risk, as the rolls of paper have no value until they have been printed by the machines upon purchase of a fare media product. We will ensure that inventory counts are performed at Inkas on a quarterly basis.

Original signed by:

Ann Marie Carroll
General Manager - Transit

Original signed by:

Dan Kostopoulos
**Commissioner – Transportation
Services**

Original signed by:

Paul Duggan
Director Audit Services



***Environmental Services – Environmental
Promotion & Protection – Solid Waste
Operations & Optimization – Source
Separated Organics Contract
Compliance***

May 2015

Table of Contents

1.0	MANAGEMENT SUMMARY	3
2.0	INTRODUCTION	3
3.0	OBJECTIVES AND SCOPE	5
4.0	DETAILED OBSERVATIONS	5
4.1	SURETY BOND TESTING	5
4.2	THE SURETY BOND POLICY NEEDS CLARIFICATION RELATING TO ROLES AND RESPONSIBILITIES FOR NON-CAPITAL RELATED PERFORMANCE BONDS COLLECTION.....	7
4.3	THE ORGAWORLD AND LAFLECHE CONTRACTS DO NOT INCLUDE A RIGHT TO AUDIT CLAUSE WHICH CAN AFFORD BENEFITS TO THE REGION	7
4.4	COLLECTION, REVIEW AND APPROVAL OF OPERATING AND CONTINGENCY PLANS FROM ORGAWORLD AND LAFLECHE.....	9
4.5	WORKER’S SAFETY INSURANCE BOARD (WSIB) FORMS SHOULD BE COLLECTED MORE FREQUENTLY	9
4.6	SECTION 2.7 PAYMENT REQUIREMENTS OF THE GFL EXCAVATING CONTRACT NEEDS TO BE REWORDED TO (A) CLARIFY THAT THE REGION WILL APPLY THE ANNUAL ADJUSTMENT TO THE GFL EXCAVATING SERVICE FEE UNIT PRICING, AND, (B) PROVIDE UPDATED DETAIL RELATING TO THE CALCULATION OF THE FUEL SURCHARGE / CREDIT CALCULATION.....	10

1.0 Management Summary

We have completed a compliance audit of three contracts associated with source separated organics (SSO) processing. These contracts are administered through the Environmental Services – Environmental Promotion & Protection Branch (ES - EPP) through Solid Waste Operations & Optimization.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

We have concluded that there is a sufficient level of compliance with the contracts to help ensure that the Region's resources and interests are protected, and that management controls over the payment process are working adequately.

However, our audit also noted some areas where management controls can be strengthened. These include the collection and upkeep of performance bonds, collection and approval of contractor operating and contingency plans, and, required use of a right to audit clause in future contracts.

Should the reader have any questions or require a more detailed understanding of the risk assessment and sampling decisions made during this audit, please contact the Director, Audit Services.

Audit Services would like to thank staff in ES – EPP Solid Waste Operations & Optimization, Finance – Insurance & Risk Management and Legal Services for their co-operation and assistance provided during the audit.

2.0 Introduction

The Solid Waste Operations & Optimization group plans, finances and delivers environmentally sound and fiscally responsible waste diversion and disposal services to ensure public health and safety. The Green Bin Program is one of these services, and is one of the most successful Source Separated Organics (SSO) Programs in the GTA. It complements the Region's implementation of the Waste Diversion Ontario initiatives.

As per the Annual Diversion Report for 2014, The Region shipped over 93,000 tonnes of SSO to our contracted SSO processors. This represents 100% of the total SSO collected by the municipalities. An additional 817 tonnes of leachate was sent to be processed through contracted treatment facilities.

The three contracts reviewed were:

**Environmental Services – Environmental Promotion & Protection – Solid Waste Operations & Optimization – Source Separated Organics Contract Compliance
May 2015**

- Orgaworld - The primary contractor for SSO and processes a minimum of 56,000 tonnes of green bin waste annually, not including contingency SSO.
- Lafleche - The secondary contractor for SSO, and processes a maximum of 50,000 tonnes of green bin waste annually for the Region.
- GFL Excavating Corp. – SSO leachate collection from the Region’s three transfer stations and transportation to a processing facility.

The ES - EPP Solid Waste Operations & Optimization Branch has successfully secured long term “put or pay” contracts to help ensure that the Region’s SSO is processed responsibly and diversion targets are met or surpassed. Contracts for the two SSO processors have terms to 2022 (Orgaworld) and 2020 (Lafleche). Both contracts were recently revised and contain renewal options to 2027 as approved by Council.

Contractors are regularly visited by York Region to help ensure that processing facilities continue to process SSO responsibly and for unrestricted use. Contractor Environmental Compliance Approval (ECA) status is also monitored through communication with Ministry of the Environment and Climate Change (MOECC) offices to advise York Region of any events that would jeopardize SSO processing.

Risks identified by ES - EPP Solid Waste Operations & Optimization are:

- Odour complaints affecting processing throughput.
- Reduced processing at one facility due to contractor inability to maintain their ECA.
- Finished compost not meeting specifications as required by contract.

Reasonable steps are being taken by Solid Waste Operations & Optimization to help ensure SSO processing continues uninterrupted.

To address the risk of reduced processing at one facility, the Region has contracted for contingency SSO to be accepted at the other facility. The Region performs periodic home audits on waste composition and works with local municipalities to help get information to citizens regarding and reinforcing what are acceptable green bin items.

Other efforts include periodic site inspection visits to the SSO processing facilities, regular communication with MOECC offices, and, visits to potential SSO processing facilities to keep abreast of industry changes. SSO processing capacity is on par with the total amount of SSO being collected province wide, as per the Annual Diversion Report 2014.

It is in the contractor’s best interests to produce ‘unrestricted use’ compost. This fetches the highest dollar on the market for the contractor. Composting methods being used by the SSO processors are similar and are proven to be effective at achieving ‘unrestricted use’ compost.

Based on these activities, any potential disruptions in contractor operations should be noted by the Region in advance, allowing time to manage any impacts.

3.0 Objectives and Scope

The objectives of this engagement include:

- A review of the contracts for Orgaworld, Lafleche and GFL Excavating Corp. to determine the level of compliance by the Region and the Contractors to the various duties and responsibilities listed within those contracts.
- Determining whether work performed by, and payments to, contractors were in accordance to contract provisions.

The audit objectives will be accomplished through:

- Discussion with management and staff relating to the three green bin processing contracts listed above.
- A review of payments made to those contractors.
- A review of related documentation.

4.0 Detailed Observations

4.1 Surety Bond Testing

Observation

The following issues were identified during testing:

1. Two of the three contracts reviewed required the contractor to supply the Region with a performance bond. The \$2 million performance bond for the Orgaworld SSO contract has not been updated to reflect the Canadian Price Index (CPI) change from 2007, when it was originally obtained, and 2012, when the performance bond amount was to have been updated for the CPI. The next update to the performance bond amount is due in 2017.
2. The contract for SSO processing by Lafleche does not require a performance bond from the contractor. Should Lafleche become unavailable to process SSO, the Region may need to pay a premium to process SSO at another location, and higher haulage charges. The performance bond would help to cover some of those increases.
3. The \$40,000 performance bond for the GFL Excavating Corp. leachate processing contract has not yet been collected. The performance bond was due within eight weeks after contract award. The contract award was in May 2013.

Performance bonds are typically collected to ensure that a contractor fulfills their contract. If the contractor cannot fulfill the contract, the Surety Company will reimburse the Region for its additional cost, in excess of the contract price, to complete the project.

Updated Observation

Audit Services received an updated and consolidated agreement with Orgaworld on May 21, 2015. The new agreement reverts back to the original calculation for the performance bond or letter of credit. The amount will be based on 50% of the gross value of the agreement for the forthcoming operating year based on the Region's estimate of the annual volume of SSO the Region anticipates will be available to the Contractor for the forthcoming operating year.

ES - EPP Solid Waste Operations & Optimization management has requested the new security from Orgaworld by August 15, 2015.

Recommendation

ES - EPP Solid Waste Operations & Optimization management should:

1. Obtain an updated performance bond from Orgaworld that reflects the change in CPI from June 2007 (CPI - 111.9) to June 2012 (CPI - 121.6). Audit Services calculated that the value of the bond should increase to \$2.194 million. The next increase would be calculated in June 2017.
2. Obtain the \$40,000 performance bond from GFL Excavating Corp.
3. Incorporate a performance bond requirement in any future contract amendment for Lafleche.

Updated Recommendation

ES - EPP Solid Waste Operations & Optimization management ensure that new security is collected from Orgaworld as requested.

Management Response

1. The performance bond for the Orgaworld contract is calculated as 50% of the gross value of the agreement for the forthcoming operating year. The gross value is determined each year by multiplying the Region's estimate of the annual volume of SSO by the applicable processing fee. Section 9.1 of the agreement provides for the processing fee to be adjusted annually to reflect CPI. Accordingly, an adjustment for CPI is included in the calculation of the gross value and hence the amount of security to be provided.

Staff have request an updated performance bond from Orgaworld by August 15, 2015 based on this calculation as specified in the contract.

2. Staff have requested that GFL Excavating provide a \$40,000 performance bond no later than August 15, 2015.
3. Staff will include a performance bond requirement in any future contract amendments for Lafleche.

4.2 The Surety Bond Policy needs clarification relating to roles and responsibilities for non-capital related performance bonds collection

Observation

The Surety Bond Policy needs clarification as to where the responsibility for the collection and administration of surety bonds resides. Current wording assigns responsibility for the prompt receiving of surety bonds to Legal Services, Supplies & Services, and Program Managers and / or designates.

By not collecting and administering the surety bond the Region could be financially exposed if the current contractor can no longer fulfill their obligation. The Region would need to go back to the market to secure a new vendor under potentially higher costs.

The current practice employed by the Region's capital projects related surety bonds is to keep the bonds together with the contract.

Recommendation

Finance - Treasury Office, overseeing this policy, should more clearly identify the parties responsible for the collection and maintenance of surety bonds.

As an example, surety bond collection and administration could be formally assigned to Environmental Services for all SSO and other operating contracts.

Management Response

The Treasury Office is in agreement with the recommendation (4.2) and will make the necessary clarification to the Surety Bond Policy by Q4 of 2015.

4.3 The Orgaworld and Lafleche contracts do not include a Right to Audit Clause which can afford benefits to the Region

Observation

A Right to Audit Clause was not included in either of the two SSO processing contracts; however it was included in the GFL Excavating contract. The Region does have clauses relating to access to the physical property, and, the sharing of documents relating to Environmental Compliance Approval of the contractor sites, however these clauses do not address the safe keeping of all files by the contractor, in whatever format, relating to the execution of the Region's contract.

**Environmental Services – Environmental Promotion & Protection – Solid Waste
Operations & Optimization – Source Separated Organics Contract Compliance
May 2015**

Nor do they address a time limit for these files, typically two years after the conclusion of the contract.

The original Orgaworld contract is dated November 2005 and the original Lafleche contract is dated January 2013.

A Right to Audit Clause will allow for:

1. Protections for the Region should questions arise relating to the execution of the contract, especially during contract disputes.
2. An incentive for the contractor to ensure that their processes are well managed, as the requirement to provide information may be required.

Recommendation

ES - EPP Solid Waste Operations & Optimization management should:

1. Attempt to include a Right to Audit Clause in any future contract amendments to both contracts.
2. Include the Region's standard Right to Audit Clause in any future waste management contracts.

Management Response

Agreed. Per the recommendation from Audit Services, staff will attempt to include a right to audit clause in future contract amendments to both contracts.

As previously approved by Council, Environmental Services employ a Contract Management Engineer. This position provides due diligence review of solid waste operations contracts. In each quarter at least four of our major contracts are visited and inspected. A report is then prepared summarizing contract compliance and any obvious health and safety concerns. For example, Orgaworld was inspected in February, May, September and December of 2014 while Lafleche received visits in March, June and October. As part of this process the Contract Management Engineer also communicates with the MOECC respecting compliance with the sites Environmental Compliance Approval and to note any concerns voiced by nearby residents respecting odor issues.

In both the Orgaworld and Lafleche contracts, payment is based on material shipped from York Region owned and contracted sites and weighed on the Region's scales. When an invoice for payment is received it is matched against the Region owned scale records prior to payment. This approval provides timely information and verification, protecting the Region's interests and ensuring the service has been provided prior to payment.

Legal Services is satisfied that the Region has not waived any rights or assumed any undue risks in the negotiation of these contracts. In addition to retaining control over critical records, the Region has broad rights to inspect the contractor's facility and monitor operations, without notice in the updated contract.

4.4 Collection, review and approval of Operating and Contingency Plans from Orgaworld and Lafleche

Observation

Operating and / or Contingency plans for the Orgaworld and Lafleche contracts were not provided to the Region as required by the respective contracts. Orgaworld was to provide their Operating and Contingency plans 30 days before September 1, 2006. Lafleche was to provide Contingency plans by February 2013.

In both cases, the plans needed to be approved by the Region.

Recommendation

ES – EPP Solid Waste Operations & Optimization should attempt to obtain these plans and review them for acceptance. The plans should be kept together with the contract.

In the future, should a contract require obtaining, reviewing and approving plans, the approval should be formally documented and kept together with contract files.

Management Response

Staff has received informal contingency plans from both Orgaworld and Lafleche. These brief plans both propose landfill of organics as a contingency measure. These plans were not filed with the contract documents when the contract was audited but have since been filed appropriately. More formal plans will be requested from both contractors and will be placed in the contract files upon receipt, no later than August 15, 2015.

4.5 Worker's Safety Insurance Board (WSIB) forms should be collected more frequently

Observation

Contracts for Orgaworld, Lafleche and GFL Excavating do not require the contractor to submit a WSIB form with each invoice. WSIB forms are only valid for 90 days from the date of issue.

A current WSIB form helps the Region ensure the contractor remains in good standing, helping to ensure that the Region remains legally protected if a contractor falls behind in WSIB payments, and a worker is injured on the work site.

Recommendation

ES - EPP Solid Waste Operations & Optimization should be periodically print WSIB forms and keep them on file with contract documents, or submit them with invoice payment requests.

Management Response

Staff does periodically check for current WSIB forms on the internet. As part of our due diligence effective immediately they will commence printing a copy and placing it in the contract file. Staff confirms that current WSIB forms are now in the contract files.

4.6 Section 2.7 Payment Requirements of the GFL Excavating contract needs to be reworded to (a) clarify that the Region will apply the annual adjustment to the GFL Excavating service fee unit pricing, and, (b) provide updated detail relating to the calculation of the fuel surcharge / credit calculation

Observation

- a) The calculation for the fuel surcharge / credit needs to be clarified as to how it is calculated by the Region. The contractor collects and transports leachate between May and October. The present wording to the contract assumes contractor fuel consumption activity would be readily available.
- b) The unit price annual adjustment on the processing fee charged by the contractor has not been applied for 2014 and 2015. The annual adjustment is based on the Consumer Price Index (CPI) as published by Statistics Canada.

The annual unit price adjustment to the contractor service fee is not assigned to the Region to implement, nor is it the contractor's responsibility to request. By not applying the adjustment, a potential unrecorded liability is created for the Region.

Recommendation

- 1) With the assistance of Legal Services, ES - EPP Solid Waste Operations & Optimization should provide clarity to the noted areas, and provide formal notification to the contractor with respect to the updated wording.
- 2) ES - EPP Solid Waste Operations & Optimization should apply the CPI annual adjustments retroactively to 2014 and 2015 to-date tonnes processed. The CPI for 2014 was 1.0%, and, 2.4% in 2015. Pricing for 2014 was calculated at \$80.80 and for 2015 at \$82.74 per tonne.
- 3) For future contracts which are basically haulage, if there is a fuel escalation clause in the tender or contract documents, remove the CPI adjustment clause in the standard terms and conditions.

**Environmental Services – Environmental Promotion & Protection – Solid Waste
Operations & Optimization – Source Separated Organics Contract Compliance
May 2015**

Management Response

- 1) Staff has conferred with both Legal Services and the Strategy and Business Planning Branch. With respect to the calculation of the fuel surcharge, staff acknowledge the ambiguity and will consult with the contractor to reach mutual agreement on the method of calculation.
- 2) The contract is in year three of the three years and to-date the contractor has not requested a CPI adjustment which has been determined to be a nominal amount.
- 3) Staff will ensure that in future haulage contracts where there is a fuel escalation clause, no reference to CPI adjustment be included in the standard terms and conditions.

Original signed by

Erin Mahoney

Commissioner Environmental Services

Original signed by

Laura McDowell

Director Environmental Promotion &
Protection

Original signed by

Bill Hughes

Commissioner Finance

Original signed by

Ed Hankins

Director Treasury Office

Original signed by

Paul Duggan

Director Audit Services



***Outstanding Audit
Recommendations Follow up
Audit Report***

June 2015 Audit Committee

TABLE OF CONTENTS

Section	Page No.
1.0 MANAGEMENT SUMMARY	2
2.0 INTRODUCTION.....	2
3.0 OBJECTIVES AND SCOPE	3
4.0 DETAILED OBSERVATIONS AND RECOMMENDATIONS	4
4.1 DETAIL SUMMARY STATISTICS FOR OUTSTANDING AUDIT RECOMMENDATIONS FOLLOWED UP	4

1.0 Management Summary

Audit Services has completed a follow up of outstanding audit recommendations at March 31, 2015. These recommendations are comprised of:

1. Audit recommendations that were noted as ‘not yet completed’ in our previous outstanding audit recommendations follow up audit report dated February, 2015.
2. Any new audit report recommendations issued up to and including March 31, 2015.

There were 48 audit recommendations originally issued through the 6 audit reports currently on our list for follow up. Management has implemented 79% of these recommendations.

For this audit recommendations follow up report, there were no ‘private’ audit reports with outstanding audit recommendations requiring update.

For a detailed summary of audit reports followed up and recommendations issued, completed and outstanding, please refer to section 4.0. Additional detail is available upon request from the Director, Audit Services.

2.0 Introduction

As part of our 2015 Audit Plan, which accommodates various types of audit projects, consulting engagements, and follow up requests from Audit Committee and Management, the Audit Services Branch performed a follow up of outstanding audit recommendations. These recommendations included those noted as outstanding in our February 2015 audit recommendations follow up audit report, and all new recommendations issued in audit reports up to and including March 31, 2015.

The Audit Plan, approved by York Region’s (the Region’s) Audit Committee, is developed annually by the Audit Services Branch using a Risk Assessment Methodology that helps to define the different risks associated with the various processes here at the Region. It is one tool that Audit Services uses in assessing where best to allocate audit resources.

On a periodic basis, Audit Services updates the Regional Audit Committee and the Chief Administrative Officer (CAO) on the status of issued audit recommendations. To provide this update, Audit Services contacts Commissioners and Directors to confirm the status of the issued recommendation(s) relating to their area. In some cases, the status is further validated directly by Audit Services through discussions and / or detailed testing. This is an integral part of our audit process that allows us to confirm that the opportunities for improvement outlined in the audit report(s) have been implemented.

Department heads were e-mailed requests containing:

1. A summary of outstanding audit recommendation(s) for their area.
2. A request to provide a status update and a confirmation of the original due date for implementation of the recommendation, or a new anticipated implementation date if necessary.

3. As requested by Audit Committee in November 2008, departments having an audit recommendation outstanding that has an original due date older than one year provide Audit Committee with a separate report as to why the recommendation has not been implemented. Management action plans that detail what is being done to implement the recommendation(s) are to be included.
4. Finally, an Executive Sign-off Form, to be signed by the Commissioner and Director responsible for the implementation of the recommendation(s), was also sent.

Audit reports issued after March 31, 2015 will be followed up in the future.

3.0 Objectives and Scope

The objective for this engagement was:

- To provide feedback to the Region's Audit Committee and CAO, as to the disposition of issued audit recommendations.

The audit scope to accomplish this objective was:

- All outstanding audit recommendations issued prior to March, 31 2015.

4.0 Detailed Observations and Recommendations

4.1 Detail Summary Statistics for Outstanding Audit Recommendations Followed Up

- Table A summarizes the outstanding audit recommendations followed up for this review.
- Table B is a detailed summary of outstanding audit recommendations which were followed up for this review.

TABLE A – Summary of Outstanding Audit Recommendations Follow up as at March, 31 2015

Audit Report	Number of opportunities originally highlighted	Completed for 12/31/14	Completed for 03/31/15	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
Finance – Procurement Card	6	5	0	1	17%	May-13	Jun-13
Finance – Petty Cash	3	2	1	0	0%	June-13	Oct-13
TCP – YRT Mobility Plus Contract Compliance	10	9	1	0	0%	Aug-13	Oct-13
Finance – Owner Controlled Insurance Program (OCIP)	7	5	2	0	0%	Dec-13	Feb-14
TS – Roads Capital Delivery of Contract 10-103	16	0	10	6	37.5%	June-14	Jun-15
Corporate Services – Court Services	6	0	3	3	50%	May-14	Jun_15
Totals	48	21	17	10	21%		

TABLE B – Summary of Outstanding Audit Recommendations as at March 31, 2015

Audit Report	Recommendation	Management response	Original due date	Current due date
Finance				
Procurement Card	4.1 Procedures should be established to enable the Corporate Administrator to perform random audits. Specific focus should be made on suspense account transactions.	Done. Procedures have been established. Random audits began in October 2013, and will continue commencing Q1 2014.	Q3 2013	N/A
	4.2 Add a line to Procurement Card forms to require the authorizer to print their name.	Done.	None	N/A
	4.3 Ensure card holders sign for their card to ensure they understand and agree to Regional purchasing card policies.	Done.	Q2 2013	N/A
	4.4 Department administrators should be reminded that failure to comply with purchasing card policy and procedures could result in card revocation.	Done. Audit report was distributed to all attendees at the quarterly administrator meeting in June 2013.	Q2 2013	N/A
	4.5 For employees who have not used their purchasing card in 6 months, Department Administrators should confirm to the Corporate Administrator that the card is still needed.	Done. The audit report was incorporated into the revised procedures – this exercise will be carried out every six months.	None	N/A
	4.6 Management re-examine the current control environment for procurement cards to determine if more efficient processes can be developed as enhancements to PeopleSoft progress.	The review of Procurement Card processes is tentatively scheduled to commence in Q2, 2016 as part of the source to settlement project.	2017	2017

Audit Report	Recommendation	Management response	Original due date	Current due date
Petty Cash	4.1 Cash handling / petty cash policies and procedures should be developed by Finance to centralize controls over cash handling.	The petty cash policy and procedures have been completed. The procedures have been implemented.	Q3 2014	N/A
	4.2 Centralize documentation and processes to set up, increase, decrease, close, or change custodian petty cash accounts.	Centralized documentation and processes have been formalized and incorporated as part of the petty cash policy and procedures.	Q3 2014	N/A
	4.3 Finance should perform surprise cash counts periodically.	Done. A schedule of surprise cash counts has been completed. Surprise cash counts are underway and these will be documented on an ongoing basis.	Q4 2013	N/A
YRT – Mobility Plus	4.1 Insurance certificates should be agreed to contract documents, or other related documentation.	Done. An enhanced, formal timeline process with an automated abeyance system has been instituted.	None	N/A
	4.2 The application process manual should be reviewed and updated to reflect the current state; require a formal overall review and update on a periodic basis; and, require formal YRT Management sign-off as evidence of the update and review.	All recommendations were completed in Q4, 2014.	Q2 2014	N/A
	4.3 YRT Mobility management contact Cares Accessible Transit and Mobility Transit to obtain the Emergency Operations Protocol documents.	Done. YRT has received the protocols from the vendors.	None	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.4 Changes to driver information (addition, deletion, changes) keyed into TIRS should be reviewed for accuracy and completeness by another individual.</p> <p>Management should also explore the feasibility in obtaining such functionality with the new RouteMatch application currently schedule for deployment.</p>	<p>Done.</p> <p>Done.</p>	<p>Q2 2014</p> <p>Q2 2014</p>	<p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.5 YRT Mobility management should discuss industry standards for late cancellations and no-shows with other similar transit services to determine a) how we are performing when dealing with this issue, and, b) what other incentives have been successfully used by other similar transit providers to reduce occurrences.</p>	<p>At this time, CUTA does not intend to move forward with the Canadian Code of Practice for Specialized Service Standards as previously anticipated. However, YRT/Viva, Mobility Plus staff has conducted a survey of neighbouring para transit agency “No Show/Cancellation” process to identify best practices. Based on this survey, YRT/Viva staff has determined that YRT/Viva’s current practices are fair and are now being adopted by the other agencies, most recently Durham Transit and the process is being considered by the Toronto Transit Commission. With the introduction of technology Mobility Plus customers may cancel booked trips through the Interactive Voice response (IVR) system or with a live Trip Reservationist. Customers may also cancel booked trips using the online booking system. Customers may cancel their trips at least two hours prior to travelling. Mobility Plus service policy regarding no shows and trip cancellations provides a point system to discourage customers from booking rides in advance “just in case” then cancelling. With new technology and the ability for customers to cancel within the two hours of their trip Mobility Plus does not have any customers with demerit points. With this process in place and new scheduling software implemented in 2014, Mobility Plus has been able to accommodate up to 25% more trips daily. YRT/Viva feels that with the implementation of new technology and a change in the cancellation process satisfies recommendation 4.5 included in the York Region Transit – Mobility Plus Audit Report.</p>	Q4 2014	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.6</p> <p>The Transview application is being replaced in the near future with a more robust system called RouteMatch. The requirement for edit listing should be one of the deliverables for this project.</p>	<p>Done.</p>	<p>Q2 2014</p>	<p>N/A</p>
	<p>4.7</p> <ul style="list-style-type: none"> • Healthcare professionals who have provided input on the application should be verified as members in good standing with their respective associations. • Paper application files should be kept complete with all correspondences with the applicant. • The addition of 'Not Applicable' check boxes for two questions on the application would help to ensure that the applicant has considered and responded to all questions. • Once an applicant becomes a registered user of Mobility Plus services, their information should not be deleted. If removal is deemed necessary, then an edit listing of the change to the database should be printed and approved by management and the riders file should be stored off of the database and available for retrieval, or made inactive on the current database. 	<ul style="list-style-type: none"> • All outstanding recommendations have been completed in Q4, 2014. 	<p>Q4 2013</p> <p>Q4 2013</p> <p>Q2 2014</p> <p>Q2 2014</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
	<p>4.8</p> <p>Mobility Plus management should enlist the help of Property Services to explore options to increase the level of security for those files.</p>	<p>Done. Cabinets are now locked.</p>	<p>None</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.9</p> <p>Current TransView data should be purged of inactive clients and those files kept off the active database. This would help allow for some additional report processing capacity.</p> <p>Transview registered client data be scrubbed prior to uploading into RouteMatch. Inactive client data should be secured and kept ready to reload if needed.</p>	<p>Done. Only registered riders who have travelled within the past 2 years will have their files transferred into the new scheduling and management software (RouteMatch).</p>	Q4 2013	N/A
	<p>4.10</p> <p>YRT Mobility Plus management perform a cost / benefit analysis on expanding the resources needed for the current appeals process versus outsourcing this process to a third party.</p> <p>YRT Mobility Plus should also examine why there has been a sudden increase in appeals.</p>	<p>Done.</p> <p>York Region nurse providing additional eight hours to assess clients.</p> <p>As recommended by Council Nov. 2013 – retaining Medisys Health Group for one year to conduct Mobility Plus appeals on behalf of York Region be brought to York Region Accessibility Advisory Committee in February 2014 and bring a report forward to the Committee of the Whole.</p>	Q4 2013	N/A
Finance - OCIP	<p>4.1</p> <p>The Commissioner of Finance and Treasury formally report the adoption of the OCIP program to Regional Council.</p>	<p>Done.</p>	Q2 2014	N/A
	<p>4.2</p> <p>Develop a service level agreement (SLA) for projects under the blanket OCIP and for each individual project covered under its own, separate OCIP.</p>	<p>Done.</p>	Q2 2014	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.3 Develop regular OCIP reporting from the Claims & Certificate Reporting System (CCS) to help ensure complete and reliable information used for management decision making and program reporting.</p>	<p>An OCIP claim activity report has been developed and launched as part of (2014) upgrades in the CCS 2015 edition and is now in use.</p>	<p>Q4 2014</p>	<p>N/A</p>
	<p>4.4 Update I & RM Policy to include the use of OCIPs. Require periodic updates to the I & RM Policy.</p>	<p>Done.</p>	<p>N/A Q2 2014</p>	<p>N/A N/A</p>
	<p>4.5 Amounts owed to the Region by contractors should be deducted from the next payment to the contractor. Charge interest penalties on invoiced amounts outstanding to date.</p>	<p>Done. Outstanding amounts are now deducted from project payments on an ongoing basis.</p>	<p>Q2 2014</p>	<p>N/A</p>
	<p>4.6 I & RM should develop edit listings to help ensure data entered into CCRS is complete, accurate, authorized and timely.</p>	<p>Done. A new internal procedural change has been implemented to allow for review and signoff on entered data.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.7 Creation of a report through CCS summarizing closed claims to reconcile to invoice requisitions generated through PeopleSoft.</p>	<p>An OCIP claim invoice report has been developed and launched as part of (2014) upgrades in the CCS 2015 edition and is now in use in the reconciliation process.</p>	<p>Q4 2014</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
CS – Court Services	<p>4.1</p> <p>Update the training manual to include cash handling controls and review with staff to ensure that they are understood by all parties.</p> <p>Install/reposition cameras to adequately view cashier tills and safes.</p> <p>Consider enhancing controls around large cash payments to minimize the risk of loss.</p>	<p>In September 2014, we conducted training sessions for Court Administration staff on cash handling procedures. Management will review procedures with staff at regular intervals.</p> <p>Court Administration has notified staff on the purpose of camera installation. Property Services will move forward with the installation of cameras. They will be positioned at the front cash area to monitor cashier tills, and in the back area to monitor the safe at both locations. We conducted meetings with Human Resources, Audit Services, Clerks Office, Property Services and the Union to determine any requirements under the Municipal Freedom of Information and Protection of Privacy Act and to ensure that we are in compliance with all Human Resource requirements as well as the collective agreement.</p> <p>Court Administration has developed procedures to enhance control around large cash payments. Payment over \$500 has to be counted by the cashier as well as a supervisor or Team Lead for proper sign off. These large cash payments must be deposited immediately in the safe after sign off. The procedure manual has been updated accordingly.</p>	<p>Q3 2014</p> <p>Q4 2014</p> <p>Q4 2014</p>	<p>N/A</p> <p>Q2 2015</p> <p>N/A</p>
	<p>4.2</p> <p>Monthly review of the bank reconciliations by management should include ensuring that reconciling items are clearing on a timely basis.</p>	<p>Court Services Business Operation had reviewed the 2014 reconciliation items to ensure that all outstanding items were cleared. Business Operation will review bank reconciliation on a monthly basis to ensure that reconciling items are cleared.</p>	<p>Q3 2014</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.3 The RICO 4500 report should be reviewed and signed off by management monthly to ensure that trials are set on a timely basis.</p>	<p>Court Administration has reviewed and updated the procedures in the manual on the review of RICO 4500. Team Leads reconcile the RICO 4500 report on a monthly basis and present to Supervisors for sign off at both court locations. Original tickets which remain as outstanding on this monthly report are pulled and forwarded to the Senior Counsel and Associate Counsel (previously Supervising Prosecutor) respectively at each court location to determine whether the items would be given trial dates. Court Administration will maintain final control over trial setting by reviewing all items on a monthly basis.</p>	Q3 2014	N/A
	<p>4.4 Policies and procedures over Ticket Control need strengthening and updating.</p>	<p>Court Administration has updated the reconciliation procedures to include comparison of the Control List Summary totals to the Certificate Control Lists and the scanned files total within eDocs database. Data File Control and retention policy are maintained as per the Ministry of the Attorney General and the Region retention policies.</p>	Q3 2014	N/A
	<p>4.5 Management should investigate and implement technology to electronically process and upload electronic tickets to the ICON system.</p>	<p>Completed a detail implementation plan with Region Information Technology Branch, York Regional Police and the Ministry of the Attorney General POA Unit on the e-ticket upload project to be completed by June 20, 2015.</p>	Q4 2014	Q2 2015

	<p>4.6 Management should acquire and use fireproof cabinets to maintain files.</p>	<p>The fireproof filing cabinets were included in the Property Services Branch's capital budget for Court Services Branch in 2015. The Director of Court Operations signed off on Property Service work order in January 2015 as the final approval. Property Services branch will determine on the installation timeline in 2015.</p>	Q4 2015	Q4 2015
<p>TS – Roads Capital Delivery Contract 10-103</p>	<p>4.1 RCD should explore the benefits of automating the collection of project construction data at the field level and transmitting the data to the Region.</p>	<p>The comprehensive review of construction contract administration and inspection practices is on schedule for completion in Q3 2015. The PMO, CPD and SPBP staff have reviewed technology solutions to automate documentation processes. This review will continue and will include consultation with Supplies and Services and Legal Services to ensure technology solutions can be integrated into existing procurement and settlement processes.</p>	Q3 2015	Q3 2015
	<p>4.2 RCD management should explore the use of SharePoint, Project Server and Essentials in the delivery of projects.</p>	<p>Implementation of this recommendation is underway and proceeding ahead of schedule. Collaboration across Transportation Services is ongoing to identify existing business practices and automation opportunities. This collaboration has included detailed discussions with Environmental Services and Information Technology Services to ensure we learn from their experience and knowledge in implementing Project Server, Sharepoint and UMT 360. A draft Project Charter has been developed and under review by the immediate project team prior to review by the key stakeholders.</p>	Q4 2015	Q4 2015
	<p>4.3 RCD management should consider creating a Project Management Office (PMO).</p>	<p>Done.</p>	None	N/A

	<p>4.4 Section 16.4r, and 16.4s should be reviewed and updated if necessary. A formal payroll burden rate review process should be developed and implemented.</p>	<p>Done. Done.</p>	<p>None None</p>	<p>N/A N/A</p>
	<p>4.5 Finance should finalize the Draft Capital Closure Policy.</p>	<p>Finance is currently revising the draft Capital Reporting and Closure policy and is on schedule to finalize the policy by Q4 2015.</p>	<p>Q4 2015</p>	<p>Q4 2015</p>
	<p>4.6 RCD should develop a formal process to guide changes in personnel to ensure continuity on projects.</p>	<p>PMO staff are assessing the detailed workflow when a project transfers from one project manager to the next project manager. This work flow will be mapped in Visio and will be used to develop the approval form. Implementation of the new process will take place in Q2 2015.</p>	<p>Q1 2015</p>	<p>Q2 2015</p>
	<p>4.7 Templates used to ensure that the management control structure is intact should not be modified. RCD management should perform a periodic review of the Change Order template with the assistance of Legal. All necessary procurement documentation that authorizes an individual to commit the Region to a purchase should be created and approved by management. Change Order instructions should be clarified with dollar thresholds</p>	<p>Done. Done. Done. Done.</p>	<p>None None None None</p>	<p>N/A N/A N/A N/A</p>
	<p>4.8 The proper use of Change Orders should be reiterated with staff.</p>	<p>Done.</p>	<p>None</p>	<p>N/A</p>

	<p>4.9 Information collection at source should be a goal of automation of data collection described in observation 4.1</p>	<p>Please see response to Observation 4.1. The automation of our construction contract administration and inspection practices will include the collection, storage and retrieval of field observation and data.</p>	<p>Q3 2015</p>	<p>Q3 2015</p>
	<p>4.10 Future RCD contracts require submission of a current WSIB form every 90 days or with every payment certificate.</p>	<p>Done.</p>	<p>None</p>	<p>N/A</p>
	<p>4.11 I&RM should be contacted to tailor a presentation to the Region's CAs and SIs regarding claims management through ICIPs.</p>	<p>Staff from Insurance and Risk Management and Legal Services presented to the CPD Branch on December 16, 2014.</p>	<p>Q4 2014</p>	<p>N/A</p>
	<p>4.12 The CA assigned to the construction of a project should be requested to provide input into Design meetings on a periodic basis.</p>	<p>Done.</p>	<p>None</p>	<p>N/A</p>
	<p>4.13 All capital projects should have a learnings document created and stored in a learning database to benefit future projects.</p>	<p>Lessons learned workshop with IMPMO and CPD staff was held in Q1 2015. Lessons learned were documented and the data has been stored in eDocs and hardcopy. The automated lessons learned database is under development in collaboration with environmental Services. The selected platform is Sharepoint and the Transportation Services database will be similar to Environmental Services.</p>	<p>Q1 2015</p>	<p>N/A</p>
	<p>4.14 RCD should review the form and content of the information currently provided to the SI.</p>	<p>Review of the format and content of information currently provided will be completed in Q2 2015. Developing revised standards and implementing same is on schedule for Q4 2015.</p>	<p>Q1 2015</p>	<p>Q2 2015</p>

	<p>4.15 One file used to track issues and resolutions during the design stage can be updated as necessary and provides a history that can be a source for a learnings database.</p>	<p>Proactive Risk Management Matrix with issues tracking ability was developed for all phases of project delivery (planning/environmental assessment, detailed design and construction) in Q4 2014. The tool was put into production for CPD use on capital projects.</p>	<p>Q1 2015</p>	<p>N/A</p>
	<p>4.16 RCD management should ensure that the boxes are processed per the Region's Records Retention By-law and stored off-site.</p>	<p>The files were removed in Q1 2015.</p>	<p>Q4 2015</p>	<p>N/A</p>