Office of the Auditor General

Report on Audit Follow-ups

Tabled at Audit Committee – October 8, 2015

Office of the Auditor General

October 8, 2015

Mayor, Members of Audit Committee and Council,

I am pleased to present this report on follow-ups of audits carried out by the Office of the Auditor General of the City of Ottawa.

This report includes an overview and an executive summary for each of the follow-ups conducted.

Respectfully,

Ken Hughes
Auditor General

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Table of Contents

Progress toward improvement 1

Summary and assessment of overall progress made to date on audit recommendations 2

Executive summaries – Audit Follow-ups 5

Follow-up to the Audit of Budgeting for Growth Funding 7

Follow-up to the Audit of OC Transpo Communication of Cancelled Bus Trips 11

Follow-up to the Audit of Occupational Health and Safety 15

Follow-up to the Audit of Performance Measurement 19

Follow-up to the Audit of Procurement Practices - General 23

Follow-up to the Audit of Procurement Practices – Hedging Activities 27

Follow-up to the Audit of the Corporate Communications Function 31

Follow-up to the Audit of the Human Resources Master Plan 35

Follow-up to the Audit of the Management of Vacant Positions 37

Follow-up to the Audit of the OC Transpo Scheduling Process for Bus Operators 41

Progress toward improvement

The Office of the Auditor General (OAG) conducts audit follow-ups a short while after management has had an opportunity to implement the recommendations from an audit. The OAG adheres to the best practices and professional standards of the international audit community by including the practice of audit follow-ups. The Audit Process includes the Planning Phase, the Fieldwork Phase, the Reporting Phase and finally the Follow-up Phase. Generally, about two to three years after an audit report is completed, the OAG evaluates the adequacy, effectiveness, and timeliness of actions taken by management on reported observations and recommendations. This evaluation ensures that the required measures, promised by management and approved by Council, have been implemented. Accordingly, the subject audits of the follow-up reports were conducted according to the 2011 audit plan.

The audit follow-ups contained in this report include:

- Audit of Budgeting for Growth Funding
- Audit of OC Transpo Communication of Cancelled Bus Trips
- Audit of Occupational Health and Safety
- Audit of Performance Measurement
- Audit of Procurement Practices – General
- Audit of Procurement Practices – Hedging Activities
- Audit of the Corporate Communications Function
- Audit of the Human Resources Master Plan
- Audit of the Management of Vacant Positions
- Audit of the OC Transpo Scheduling Process for Bus Operators

As can be seen in the next section it is clear from the results of these follow-ups that management is committed to the audit process and has done a great deal to address issues raised by the audits and improve management practices in these areas. Management should be proud of these improvements and their progress should be acknowledged. The OAG wishes to draw attention to one audit where progress on recommendations has not been up to the same level as the others in this report. In the Audit of the Human Resources Master Plan just under half of the recommendations were considered complete or substantially complete. The timeline for addressing the outstanding recommendations was originally identified as 2014 and then was subsequently revised to 2018. Human Resources should continue to implement these recommendations and consider the benefits of an earlier revised implementation. The two delayed improvements were related to improvements to Human Resources Department workforce planning practices and processes, an important activity at the City given the large dependence on human resources for municipal program delivery.

Summary and assessment of overall progress made to date on audit recommendations

Audits are designed to improve management practices, enhance operational efficiency, identify possible economies and address a number of specific issues. The follow-up phase is designed to identify management's progress on the implementation of recommendations from the audit reports. This report is not intended to provide an assessment of each individual recommendation. Rather, it presents our overall evaluation of progress made to date across all completed audits. Should Council wish to have a more detailed discussion of specific follow-ups, OAG staff are available to do so.

The table below summarizes our assessment of the level of completion of each recommendation for the above-noted audit follow-ups.

Table 1: Summary of level of completion of recommendations

Action	Percent complete	Number of Recommendations	% of Total Recommendations
Little to no action	0 to 24	12	10%
Action initiated	25 to 49	7	6%
Partially complete	50 to 74	10	9%
Substantially complete	75 to 99	26	22%
Complete	100	62	53%
Total		117	100%

We have categorized each of the audit follow-ups based upon the following criteria:

Solid Progress = 50% or more of the recommendations evaluated at 75-100% complete.

Little or No Progress = 50% or more of the recommendations evaluated at 0-49% complete.

Gradual Progress = All others.

Solid Progress:

- Audit of Budgeting for Growth Funding
- Audit of Occupational Health and Safety
- Audit of Performance Measurement
- Audit of Procurement Practices – General
- Audit of Procurement Practices – Hedging Activities
- Audit of the Corporate Communications Function
- Audit of the Management of Vacant Positions
- Audit of the OC Transpo Scheduling Process for Bus Operators

Little or no progress:

- Audit of the Human Resources Master Plan

Gradual progress:

- Audit of OC Transpo Communication of Cancelled Bus Trips

With these audit follow-ups now complete, no further work to review the implementation of these recommendations is intended by the OAG, with the exception of Occupational Health and Safety which will be followed up again in 2016. However, as a result of the annual work plan and/or Council requests, new audits in any of these areas may occur in the future.

Executive summaries – Audit Follow-ups

The following section contains the executive summary of each of the audit follow-ups.

Follow-up to the Audit of Budgeting for Growth Funding

Introduction

The Follow-up to the 2011 Audit of Budgeting for Growth Funding was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- The City has an established process for budgeting for growth related projects, and the controls for the budgeting of growth funding information were operating as intended.
- There is a need to improve communication to Council in order to properly inform the public.
- Key assumptions used to calculate development charges are appropriate and consistent with the legislated requirements in the Development Charges Act.
- The 2009 Development Charges Background Study did not include a specific list of parks capital projects for Committee and Council to review and approve. In 2010, staff has established a four and ten year forecast for parks, and the audit recommends that this be provided to Council for approval.
- The audit identifies opportunities to improve the communication of information on the calculation, collection, and spending of development charges to City Council and the public.
- The audit recommends that the City examine opportunities to include Corporate Finance in growth management planning, establish a standard level of detail and support in the budgeting for growth funding and associated reporting to Council, and put controls in place to facilitate tracking of growth and non-growth portions of projects.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of January 2014.

Table 2: OAG's assessment of level of completion (Follow-up to the Audit of Budgeting for Growth Funding)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	3	1	17%
Complete	100	1, 2, 4, 5, 6	5	83%
Total			6	100%

The table below outlines management's assessment of the level of completion of each recommendation as in response to the OAG's assessment as of September 2014. These assessments have not been audited.

Table 3: Management's assessment of level of completion (Follow-up to the Audit of Budgeting for Growth Funding)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 2,3, 4, 5, 6	6	100%
Total			6	100%

Conclusion

Management has been proactive in addressing the recommendations. All the recommendations have either been fully or substantially completed.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of OC Transpo Communication of Cancelled Bus Trips

Introduction

The Follow-up to the 2011 Audit of OC Transpo Communication of Cancelled Bus Trips was included in the Auditor General's Audit Plan.

The key findings of the original 2011 audit included:

- The City's process for communicating cancelled bus trips to the travelling public needs improvement. The process is not entirely automated and relies on human initiation and interaction at key steps before the ridership is notified of a trip cancellation.
- OC Transpo's trip cancellations are inconsistently sent to passengers' text alerts or e-mails. Of the 55 separate cancellations we examined, communication was accurate and timely in only 7 cases.
- OC Transpo had not registered 15 routes out of 141 possible bus routes to send alerts to passengers who had requested them.
- The City should correct the email and text issues and regularly monitor notifications to ensure accuracy.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of June 2014.

Table 4: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of OC Transpo Communication of Cancelled Bus Trips)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	1, 2	2	67%
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	3	1	33%
Total			3	100%

The table below outlines management's assessment of the level of completion of each recommendation as of November 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 5: Management's assessment of level of completion of recommendations (Follow-up to the Audit of OC Transpo Communication of Cancelled Bus Trips)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	2	1	33%
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 3	2	67%
Total			3	100%

Conclusion

Management has fully completed one of the three recommendations from the original audit and continues to work on the other two.

In relation to Recommendation 1, management informed us that route registration is tested whenever changes are made to the transit service or the web system configuration. However, we found that the e-mail/text alert registration issue highlighted in the original audit had not been fully corrected. We tested all 143 routes and the O-Train for trip cancellation in May 2014 using two separate accounts. For both accounts, we could not register for cancellation alerts to 5 of the 144 possible routes.

With regards to recommendation 2, funding for the customer service platform was included and approved in the 2012 Transit Services budget. At the time of our follow-up, OC Transpo was in the process of hiring employees associated with the new customer service platform. Management informed us that they were working towards full implementation in Q1 or Q2 of 2015.

Recommendation 3 was fully implemented in February 2014. However, a cost-benefit analysis was not completed.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of Occupational Health and Safety

Introduction

The Follow-up to the 2011 Audit of Occupational Health and Safety (OHS) was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- Improvements are needed to meet legislative and policy requirements.
- The control framework needs improvement to meet the City's needs and comply with legislative requirements.
- The OHS program is decentralized with limited performance measurement made available to management.
- The OHS Branch does not monitor the implementation of its program across the City, nor does it explicitly address contraventions of policy or legislation.
- In the Long-Term Care Branch and Solid Waste Branch, many conventional OHS practices are not being fully applied, including hazards assessment, Joint Health and Safety Committees (JHSC), training of contract employees, objective setting and evaluation of performance;
- Improving these practices would strengthen the OHS program, improve the safety culture of the City, and help reduce occupational injuries and illnesses.
- The audit estimates that the City could achieve reductions in its Workplace Safety and Insurance Board (WSIB) costs of up to $721,000 per year if it could reduce its injury rate to the average rate of similar employers.
- In order to be compliant with legislation and reduce costs, the audit recommends that the City develop a multi-year plan for implementation of an OHS framework and establish clear objectives and targets for OHS.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of April 2014.

Table 6: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of Occupational Health and Safety)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	8, 11, 12, 15, 23, 24, 25, 26	8	31%
Action Initiated	25 to 49	14, 16, 22	3	11%
Partially Complete	50 to 74	2, 6	2	8%
Substantially Complete	75 to 99	1, 5, 9,13, 18	5	19%
Complete	100	3, 4, 7, 10, 17, 19, 20, 21	8	31%
Total			26	100%

The table below outlines management's assessment of the level of completion of each recommendation as of September 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 7: Management's assessment of level of completion of recommendations (Follow-up to the Audit of Occupational Health and Safety)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	8, 11, 12, 15, 23, 24, 25, 26	8	31%
Action Initiated	25 to 49	14, 16, 22	3	11%
Partially Complete	50 to 74	2, 6	2	8%
Substantially Complete	75 to 99	1, 5, 13, 18	4	15%
Complete	100	3, 4, 7, 9, 10, 17, 19, 20, 21	9	35%
Total			26	100%

Conclusion

The Employee Health, Safety and Wellness Branch has undertaken an aggressive timeline to implement all of the 2011 audit's 26 recommendations. Management plans to fully implement all recommendations by 2015. We noted important progress in the areas of performance measurement and reporting. Specifically, the yearly Employee Health, Safety and Wellness Performance Report to Executive Committee/Senior Management Committee (EC/SMC) details some objectives, targets, and achievements. We understand that approximately 20 performance measures are planned for the 2014 annual report with additional ones in 2015.

Corporate-level Hazard Identification and Risk Assessments (HIRAs) have been completed in 2013 with position-level HIRAs to commence at the time of writing this report. Management anticipate their completion in 2015.

The City reports on WSIB expenses by department but does not track component costs separately to permit more meaningful analysis, and support better monitoring and assessment of OHS program performance. Management should consider alternative approaches to achieve the intention of the original audit recommendation.

A Manager Toolkit relating to return to work and accommodations was launched on Ozone.

The City has decided not to update its 2010 inventory of modified duty positions to match employee capabilities to available work to provide timely and effective return to work. As an alternative, management's preferred action is to return an employee to their substantive position; and, as such Job Demands Analysis are undertaken which meets the intent of the recommendation.

As the branch's implementation schedule extended over three years, they are still completing some of the recommendations. As such, nine recommendations where little or no action has occurred were dependent on completing the position-level HIRA (recommendation 8, 11 and 12) or on analysing the survey data for the training needs assessment (recommendations 15 and 16) or implementation had been scheduled for completion between Q4 2014 and Q2 2015 (recommendations 23 to 26). Management continues to implement the recommendations based on the schedule provided during the original audit which extends to 2015. As such, we will conduct an additional follow-up in 2016 to determine the completeness of the implementation.

Acknowledgement
We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of Performance Measurement

Introduction

The Follow-up to the 2011 Audit of Performance Measurement was included in the Auditor General's 2013 Audit Plan.

The key findings of the original year audit included:

- There is a risk that the City of Ottawa's Balanced Scorecards will not measure performance at the service or program level.
- It will be important that Scorecards are linked to departmental plans and operational priorities as well as Council priorities. Little evidence was found that performance measures were used in the past to inform budget and operational decision-making.
- The Housing Services Corporation performance database and the Lifecycle Asset Management toolkit should be implemented, rather than continuing to rely simply on waiting list figures as a measure of performance.
- The Ontario Municipal Benchmarking Initiative (OMBI) has not delivered the benefits intended. It is recommended that redeploying resources towards more promising performance measurement projects should be pursued.
- Management should monitor the cost-benefit of the new program. If it is not generating the anticipated benefits, there is the potential for savings by discontinuing it.
- The Balanced Scorecards should be linked to operational priorities and that the cost-benefit of any performance measure framework be monitored to ensure it is adding value.
- Several specific performance measures should be considered in the areas examined, in particular the social housing program.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of May 2014.

Table 8: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of Performance Measurement)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	12, 14, 20	3	14%
Substantially Complete	75 to 99	4, 11, 15, 17, 21	5	24%
Complete	100	1, 2, 3, 5, 6, 7, 8, 9, 10, 13, 16, 18, 19	13	62%
Total			21	100%

The table below outlines management's assessment of the level of completion of each recommendation as of February 2015 in response to the OAG's assessment. These assessments have not been audited.

Table 9: Management's assessment of level of completion of recommendations (Follow-up to the Audit of Performance Measurement)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	4, 11, 14, 15	4	19%
Complete	100	1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 16, 17, 18, 19, 20, 21	17	81%
Total			21	100%

Conclusion

Management has been proactive in addressing the recommendations. Over 85 percent of the recommendations have either been fully or substantially completed.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of Procurement Practices - General

Introduction

The Follow-up to the 2011 Audit of Procurement Practices - General was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- The City could save over $800,000 per year by initiating a competitive tender for snow removal and by changing its specifications for some vehicles.
- There are opportunities for the City to achieve some savings by purchasing entry level vehicles with only the base work-related options.
- The City's participation in the Canadian Municipal Collaboration for Sustainable Purchasing initiative is a logical step that is consistent with the overall corporate approach to sustainability;
- There may be an opportunity to achieve some savings through greater participation in co-operative procurement with other local members of the broader public service; and,
- The City has a competitive process for the acquisition of laptops and desktops which is consistent with other major public sector entities.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of March 2014.

Table 10: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of Procurement Practices – General)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	3, 4, 6	3	37.5%
Complete	100	1, 2, 5, 7, 8	5	62.5%
Total			8	100%

The table below outlines management's assessment of the level of completion of each recommendation as of July 2013 and February 2015 in response to the OAG's assessment. These assessments have not been audited.

Table 11: Management's assessment of level of completion of recommendations (Follow-up to the Audit of Procurement Practices – General)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 2, 3, 4, 5, 6, 7, 8	8	100%
Total			8	100%

Conclusion

Management has substantially or fully implemented the recommendations from the 2011 audit.

With respect to purchasing entry level vehicles with only the base work related option, Fleet Services surveyed its clients' requirements for ½ and ¾ ton trucks and analyzed those. The analysis related only to the clients indicating their requirements. However, it did not include an analysis of whether the clients' needs could be met with entry level vehicles. Fleet informed us that the requirements of the vehicles do sometimes cause the need to go to a higher trim level. A study of purchasing entry level vehicles with only base work-related options will need to be completed for this recommendation to be fully implemented.

Due to insufficient data to perform the necessary analysis, Fleet Services could not substantiate the use of residual value in acquisition cost calculations. As such, the May 2013 tender submission for light duty vehicles excluded residual value from the calculation which is consistent with the intent of the recommendation.

In reference to recommendation 6, prior to a new purchase, Supply Branch prepares a comparative pricing analysis for computers and laptops by obtaining prices from websites. In our opinion, these are not true comparatives (e.g., listed price per unit versus possible pricing for bulk purchases) as they may not represent pricing that would be offered to the City for sizeable orders.

Acknowledgement
We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of Procurement Practices – Hedging Activities

Introduction

The Follow-up to the 2011 Audit of Procurement Practices – Hedging Activities was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- The City's approach to hedging of natural gas prices resulted in it paying $2.1 million dollars more than it would have if it had purchased the gas directly from the supplier.
- The losses will continue unless the City changes its approach to procuring natural gas. In addition, hedging transactions for diesel in 2009 resulted in an overall loss of $267,000.
- The 2010 diesel hedges resulted in a savings of approximately $5 million.
- The Finance Department should play a key role in the acquisition of natural gas in the future.
- The City does not do performance benchmarking against market rates in order to establish if the hedging efforts have resulted in lower prices.
- The information provided to Council on hedging practices should be improved.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of December 2013.

Table 12: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of Procurement Practices – Hedging Activities)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	1, 3	2	33%
Substantially Complete	75 to 99	2, 4	2	33%
Complete	100	5, 6	2	33%
Total			6	100%

The table below outlines management's assessment of the level of completion of each recommendation as of February 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 13: Management's assessment of level of completion of recommendations (Follow-up to the Audit of Procurement Practices – Hedging Activities)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	1	1	17%
Substantially Complete	75 to 99	2, 3, 4	3	50%
Complete	100	5, 6	2	33%
Total			6	100%

Conclusion

Finance department is now providing greater oversight as it pertains to natural gas forward agreements. Finance management has met with the Chair of the OCEPG twice during 2013. In addition to the Senior Project Manager Engineering (Chair of OCEPG); the Officer, Senior Investment, Treasury Unit; and, the Manager, Strategic Sourcing and Supply Chain Management, Supply Branch now also attend the OCEPG Steering Committee's meetings as additional City representatives.

At the time we conducted the audit follow-up in December 2013, Public Works expected the draft Energy Management and Investment Strategy report and Corporate Utility Procurement policy to be tabled at Environment Committee in April 2014. We noted that the drafts we reviewed did not fully follow the approach outlined during the April 2013 meeting between Deputy City Treasurer, Corporate Finance; Manager, Treasury; Chief Procurement Officer; and, Senior Project Manager Engineering (Chair of OCEPG). However as these were still in draft form, we recognize there may be further changes to both documents before they are submitted.

We found that Council is informed of the level of financial implication (savings) resulting from favourable hedging positions but that they are not provided the same information (losses) from unfavourable positions. Recent losses resulting from the drop in natural gas prices should be fully disclosed to Council. For the period November 2009 to November 2012, the City had a natural gas total cost loss of $2.6 million.

The December 31, 2012 Notes to the City's Consolidated Financial Statements (i.e., notes 13(h)) provided a listing of natural gas forward commitments totalling $10.7 million for 2013 to 2017.

Acknowledgement
We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of the Corporate Communications Function

Introduction

The Follow-up to the 2011 Audit of the Corporate Communications Function was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- The City's Communications group lacks consistent strategic direction and a clear mandate and authority.
- Without a clear strategy or mandate, many departments have lost confidence in Corporate Communications and have added their own internal resources to compensate.
- There are 51 positions in the Corporate Communications Department with a $4.4 million budget for communications. In addition, there are another 20 positions within various departments with some communications duties, costing an estimated $1.05 million.
- The Corporate Communications Function lacks a prioritization framework to support and communicate resource allocation as well as a consistent and disciplined approach to planning, organizing and monitoring work. This has led to the group providing uneven client services.
- The review of the communications strategy for the Source Separated Organics program confirmed the lack of clear mandate, role and authority for the Corporate Communications Function. Of the Source Separated Organics strategy the audit states:
    - Target audience(s) were not properly identified;
    - The most effective methods for reaching these target audience(s) were not adequately assessed and pursued;
    - Strategic messaging to these target audience(s) was not developed; and,
    - Communications initiatives were never evaluated to determine their effectiveness.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of April 2014.

Table 14: OAG's assessment of level of completion (Follow-up to the Audit of the Corporate Communications Function)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	10	1	5%
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	8	1	5%
Substantially Complete	75 to 99	5, 7, 13, 22	4	18%
Complete	100	1, 2, 3, 4, 6, 9, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21	16	72%
Total			22	100%

The table below outlines management's assessment of the level of completion of each recommendation as of July 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 15: Management's assessment of level of completion (Follow-up to the Audit of the Corporate Communications Function)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22	22	100%
Total			22	100%

Conclusion

Management has substantially or fully completed 20 of the 22 recommendations contained in the original report.

At the time of our follow-up audit, Corporate Communications had not started work on the new City's Visual Identity (recommendation 10). Management considers that the Visual Identity, as it was developed at amalgamation, is overly specific and that level of detail may no longer be warranted. The advent of social media (Twitter, Facebook, etc.) has also resulted in major changes, in terms of communication size as well as reach, frequency and immediacy. Corporate Communications are still at the conceptualizing stage as to what the City's Visual Identity requirements are.

In relation to recommendation 8, management informed us that the Annual Consultation Plan, that should have been developed in July 2013 and be provided to Executive Committee by end of Q1 2014, was combined within the Annual Corporate Communication calendar of events/initiatives. However, the Annual Corporate Communication calendar does not address the intent of the recommendation i.e., reflect the various stakeholder feedback monitoring mechanisms. For this recommendation to be considered fully implemented, an Annual Consultation Plan should be developed.

Guidelines, policies and procedures should be revised as needed. We found that the date of when guidelines, policies and procedures becomes effective or its revision date was not always captured on individual documents. By clearly indicating the date when guidelines, policies and procedures took effect or were revised, readers will be able to understand that it is the most recent document, and/or that it has been updated.

Acknowledgement
We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of the Human Resources Master Plan

Introduction

The follow-up to the 2011 Audit of the Human Resources Master Plan was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- The City's Human Resources (HR) Department should provide a more prescriptive and integrated approach to HR planning.
- Standardized methods and processes for medium and longer-term workforce planning should be used and that workforce data should be more formally identified and analyzed for planning purposes.
- The Human Resources Department should lead a workforce needs analysis across all departments to develop a City-wide long-term workforce plan.
- Analysis and reporting are required to support longer term workforce planning. More robust analytical and reporting capabilities would serve to enhance regular information provided to departments about their current and future workforce needs, targets and results.
- Corporate HR should lead a City-wide workforce planning needs analysis
- The City should implement three- and five-year workforce plans and identify critical positions in all departments.
- Summary of the Level of Completion
- The table below outlines our assessment of the level of completion of each recommendation as of January 31, 2014.

Table 16: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of the Human Resources Master Plan)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	2, 3, 8	3	33.4%
Action Initiated	25 to 49	6, 9	2	22.2%
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	1, 7	2	22.2%
Complete	100	4, 5	2	22.2%
Total			9	100%

The table below outlines management's assessment of the level of completion of each recommendation as of December 10, 2014 in response to the OAG's assessment. These assessments have not been audited.

Table17: Management's assessment of level of completion of recommendations (Follow-up to the Audit of the Human Resources Master Plan)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	2, 3	2	22.2%
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 4, 5, 6, 7, 8, 9	7	77.8%
Total			9	100%

Conclusion

At the time of this follow-up work, we found that 44% of the recommendations could be considered substantially complete or complete. The remaining 66% remain in progress with either little or no action or action initiated.

Human Resources should continue to implement the remaining recommendations and establish a revised timeline for implementation.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of the Management of Vacant Positions

Introduction

The Follow-up to 2011 Audit of the Management of Vacant Positions was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- Twenty one positions which have been vacant for more than 24 months were not reported to Council as required by a 2010 motion. The estimated cost of these positions is $1.8 million.
- Motion 82/27 requires that positions left vacant for more than two years must be reported to Council for a decision on whether to keep the position. This was not done.
- Over 100 positions have been vacant or unoccupied for more than two years.
- There are over 600 unbudgeted positions in use at the City, representing approximately $58 million. These positions were never approved by Council.
- In addition, the policy which allows managers to create unbudgeted positions was never approved by Council.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of April 2014.

Table 18: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of the Management of Vacant Positions)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	5	1	14%
Complete	100	1, 2, 3, 4, 6, 7	6	86%
Total			7	100%

The table below outlines management's assessment of the level of completion of each recommendation as of July 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 19: Management's assessment of level of completion of recommendations (Follow-up to the Audit of the Management of Vacant Positions)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	n/a	n/a	n/a
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	n/a	n/a	n/a
Complete	100	1, 2, 3, 4, 5, 6, 7	7	100%
Total			7	100%

Conclusion

Management has fully or substantially implemented the recommendations in this report.

Starting with the 2012 budget exercise, Council has been provided with greater information as to the number of vacant and filled temporary FTEs; and their funding source. In 2013, the length of time these temporary FTEs have been filled was also reported. This information is contained in the FTE Analysis Report prepared by Human Resources Department and received by Council as supplemental information to the annual draft budget.

Additionally, in March 2012, Management established the Vacancy Monitoring and Reporting guidelines and procedures for the HR Client Relations and Business Solutions Branch which was revised August 2013. The guideline clearly sets out roles and responsibilities of the Program Manager, HR Consultants as well as departmental managers. It also outlines the monitoring and reporting process.

Quarterly reporting on positions vacant greater than 24 months and “unoccupied” positions has not yet occurred. Management informed us that the first quarterly report on vacancies to Council schedule for Q3 2013 was deferred due to the budget. Management anticipates that the first report on positions vacant greater than 24 months and “unoccupied” positions will be tabled with the Quarterly Financial Report to FEDCO in May 2014.

Acknowledgement
We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Follow-up to the Audit of the OC Transpo Scheduling Process for Bus Operators

Introduction

The follow-up to the 2011 Audit of the OC Transpo Scheduling Process for Bus Operators was included in the Auditor General's 2013 Audit Plan.

The key findings of the original 2011 audit included:

- An arbitration award after the 2008 transit strike has resulted in a new scheduling model that is less efficient and more expensive.
- Control over scheduling granted to management has not been able to offset the post strike arbitration-imposed constraints, therefore management is unable to realize expected annual operational savings from the strike in the range of $3.1 million to $4.5 million.
- The arbitration award after the strike did not create the expected "control of the day" operational model envisioned by management. The impact of the arbitration is a systemically inefficient scheduling model that nullified management's cost savings opportunities envisioned during collective bargaining negotiations and the strike.
- Additional cost savings, totaling approximately $350,000 per year, could be obtained by using Internet-based scheduling sign-up software.
- The City should use the upcoming collective bargaining process to reduce the financial and operational deficiencies of the scheduling model.
- The City should perform monitoring and quality control reviews of scheduled work and pursuing automated alternatives to the manual scheduling process.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of June 2014.

Table 20: OAG's assessment of level of completion of recommendations (Follow-up to the Audit of the OC Transpo Scheduling Process for Bus Operators)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	6, 8	2	22%
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	2, 5, 7	3	33%
Complete	100	1, 3, 4, 9	4	45%
Total			9	100%

The table below outlines management's assessment of the level of completion of each recommendation as of November 2014 in response to the OAG's assessment. These assessments have not been audited.

Table 21: Management's assessment of level of completion of recommendations (Follow-up to the Audit of the OC Transpo Scheduling Process for Bus Operators)

Category	% Complete	Recommendations	Number of Recommendations	Percentage of Total Recommendations
Little or no action	0 to 24	n/a	n/a	n/a
Action Initiated	25 to 49	6, 8	2	22%
Partially Complete	50 to 74	n/a	n/a	n/a
Substantially Complete	75 to 99	5, 7	2	22%
Complete	100	1, 2, 3, 4, 9	5	56%
Total			9	100%

Conclusion

Management has substantially or completely implemented all but two of the original audit's recommendations.

Hastus is the work scheduling software package which OC Transpo uses. In relation to recommendation 2, quarterly Hastus reports generate qualitative (statistics that could affect operators' quality of work such as the composition of their shift for their work day) and quantitative statistics. The Hastus statistics reports are used to prepare OC Transpo's annual performance report. Management informed us that there are no cost simulations using Hastus done during negotiations as scheduling was not an issue during the last negotiation. Management indicated that a joint Working Group on Scheduling has been established which includes examining scheduling.

For recommendation 5 to be considered complete, non-unionized staff in the scheduling group, not part of ATU 1760, should be recruited with a view of optimum analytical, computer modeling and mathematical skills.

The completion of the implementation of recommendations 6 and 8 is dependent on the successful replacement of the manual booking system by an electronic booking system.

Lastly, for full implementation of recommendation 7, management would need to consider redoing the modelling to include the options of changing timetables to be the most optimal for districts.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.