

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: July 14, 2009

SUBJECT: INTERNAL AUDIT CAPITAL REPORT – MID-LIFE BUS REBUILD PROGRAM

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Audit Committee receive for information the attached Internal Audit Capital Report.

BACKGROUND

Internal Audit provides the Commission with independent evaluations of the efficiency and effectiveness of control systems, and operations. Internal Audit is also required to provide recommendations for improvement.

Richard G. Beecroft
Chief Auditor

July 14, 2009
01-23

Attachment - Internal Audit Capital Report

TORONTO TRANSIT COMMISSION

TO **Dick Beecroft**

FROM **Elmer Csaszar**

DATE **March 4, 2009**

SUBJECT **Audit of the Mid-Life Bus Rebuild Program**

An audit of the capital project – Mid-Life Bus Rebuild Program has been conducted. This capital project covers the rebuilding of Commission buses after they have been in service for 9 years to ensure that they provide safe, reliable revenue service until they reach the normal 18-year retirement age.

The following expenditures incurred in the 34 months ending October 2008 were the focus of this audit:

Expenditures-	(\$ million)
TTC Labour and Fringes & Overhead	22.1
TTC Non-Labour	12.9
Total	35.0

FINDINGS:

TTC Labour and Fringes & Overhead

These charges were from and related to the Bus Maintenance Department. Audit found that adequate documentation was maintained to support the charges to this project, and that the charges are being monitored against budget.

TTC Non-Labour

These charges were mainly for parts from inventory and material transfers for internally rebuilt parts. Audit found that adequate documentation was maintained to support these charges, including the standards used in the material transfers.

Audit Manager
Internal Audit
01.25
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