



Toronto Parking Authority – 2026 Follow-up – Status of Previous Auditor General’s Recommendations

May 15, 2026

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**AUDITOR
GENERAL**

TORONTO



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Executive Summary

Why the follow-up process matters

The Auditor General follows up on the implementation status of outstanding recommendations from her audit and investigation reports. The purpose is to verify that Auditor General recommendations have been fully implemented and that intended benefits have been achieved.

The follow-up process provides accountability and transparency for the Toronto Parking Authority (TPA) Board of Directors, City Council, and the public, by reporting on the implementation status of past Auditor General report recommendations. The Auditor General’s follow-up process is described in further detail in **Exhibit 3**.

19 recommendations across 3 reports

This report provides a summary on the status of 19 recommendations issued by the Auditor General to the TPA from the following three reports:

1. [Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities, 2016](#)
2. [Auditor General’s Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2, 2017](#)
3. [Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues, 2021](#)

12 recommendations closed previously – 7 reviewed in this cycle

Of the 19 recommendations, 12 were closed in previous follow-up reviews. In this follow-up cycle, we verified the status of seven recommendations reported by management as fully implemented.

6 recommendations are assessed as fully implemented or no longer applicable; 1 is not yet fully implemented

At the date of this report, we determined that four recommendations are fully implemented (FI), two recommendations are no longer applicable (NA), and one recommendation is not fully implemented (NFI).

A recommendation is determined as NFI when the actions taken by management or the extent of improvements did not fully address the issue, or management was not able to provide sufficient and appropriate evidence during the follow-up review. A recommendation is determined as no longer applicable if it is no longer relevant due to a change in circumstances.

Figure 1 below summarizes the results of our follow-up review.

Figure 1: Auditor General's Assessment of Recommendations Reported as Fully Implemented by Management

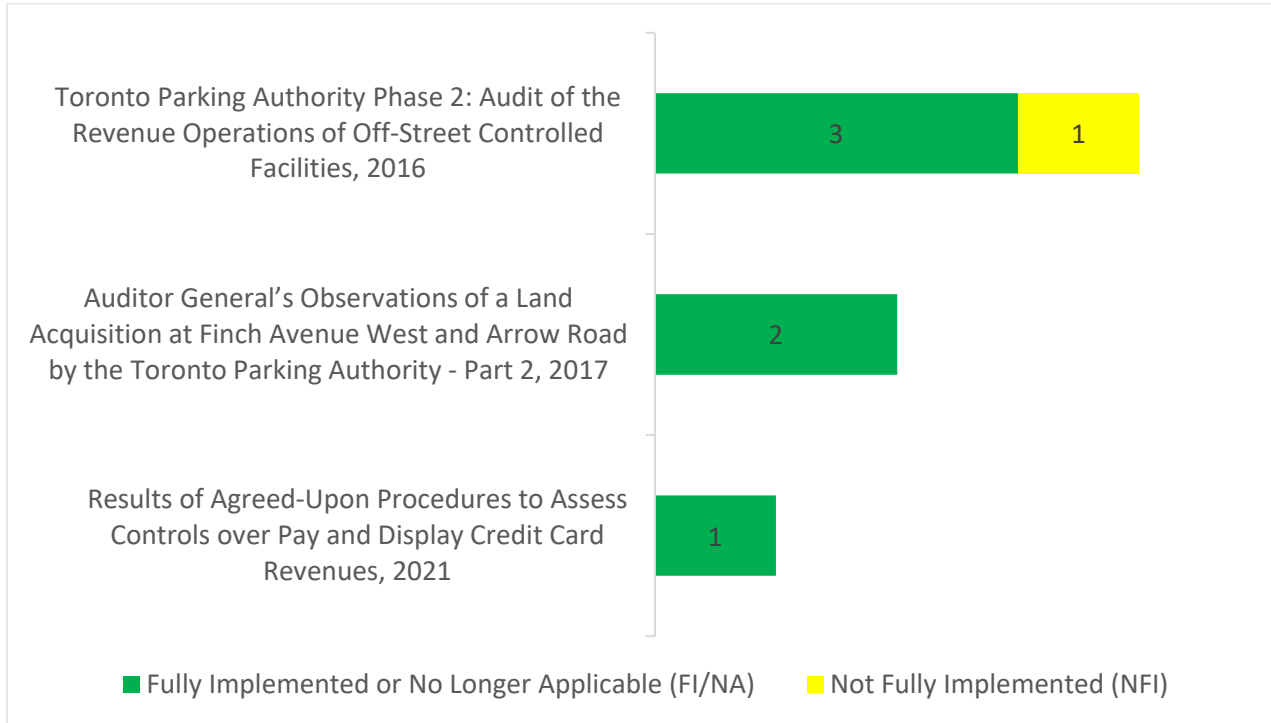


Exhibit 1 lists recommendations reviewed during this follow-up cycle, including those determined to be fully implemented or no longer applicable. Recommendations assessed as fully implemented or no longer applicable are closed in the follow-up system and are not included in future follow-up reviews.

The remaining recommendation, where implementation is in progress, will be included in a subsequent follow-up review. This recommendation, together with management's action plan and estimated timelines for completion, are also provided in **Exhibit 1**.

This report also includes the cost savings from the TPA implementing Recommendation #5 from our report: [Improvement Needed in Managing the City's Wireless Telecommunications Contracts, 2018](#).

The results of this follow-up review will be included in our consolidated report on the status of outstanding recommendations to be presented at the City's Audit Committee meeting on July 10, 2026.

**Thank you to
management and staff for
their assistance**

We would like to express our gratitude to staff and management of Toronto Parking Authority for their ongoing co-operation, input, and willingness to take action to address the Auditor General's recommendations.

NOTEWORTHY RESULTS

This section highlights noteworthy results from implementing recommendations in the current follow-up review. We considered results noteworthy where there was either an actual or potential financial benefit, or the actions taken addressed a significant risk or improved controls.

1. Toronto Parking Authority – Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities, January 2016

2016 audit highlighted the need for enhanced operational efficiency and effectiveness over revenue operations

The [Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities](#) report included 12 recommendations to enhance reporting for parking rate policy alignment, expand the use of automation for operational efficiency and effectiveness, and update policies and procedures for enhanced governance.

3 of 4 recommendations fully implemented or no longer applicable; 1 not fully implemented

Eight out of the 12 recommendations from this report were closed in prior year follow-up reviews¹. In the current follow-up review cycle, management reported four recommendations as fully implemented, as summarized in **Exhibit 1**.

We verified that two recommendations are fully implemented, one recommendation is not fully implemented, and one recommendation is no longer applicable.

The fully implemented recommendations required TPA to implement automated interfaces between the parking revenue control system and accounting system, automate revenue transaction recording and reconciliation, and monitor exception transactions with system generated reports and/or data analysis.

¹ Closed recommendations from previous follow-up reports listed below:

[Toronto Parking Authority – 2018 Results of Follow-up of Previous Audit Recommendations](#)
[Toronto Parking Authority – 2019 Results of Follow-up of Previous Audit Recommendations](#)
[Auditor General's 2021 Consolidated Status Report on Outstanding Recommendations - Attachment 3 - City Divisions, Agencies and Corporations - Fully Implemented or No Longer Relevant Recommendations \(Status Not Verified by the Auditor General\)](#)

Recommendations #3 and #4 – Fully Implemented

Automation has strengthened TPA's revenue monitoring practices

In Q4 2020 management took significant steps to automate the recording and reconciliation of parking revenue transactions through implementation of SAP S/4 Hana to address recommendation #3 from the 2016 report. A consulting firm's post-implementation review noted the following outcomes:

- Daily bank reconciliations improved overall revenue and treasury controls
- Stronger controls over vendor revenue and collections, reducing errors and manual intervention
- Importing individual revenue transactions from vendors into SAP to provide increased visibility and insights to allow for better decisions based on real-time data. Previously, data was imported in batches monthly.

Management advised that a shift in customer payment methods², coupled with more effective technology use, has reduced risk exposures associated with manual reviews, such as recording and reconciliation processes and revenue transaction exceptions.

Enhanced capabilities for exception reporting through data analysis

Our 2016 report identified that once recommendation #4 is implemented, the data can be used to identify potential risk areas for further investigation by monitoring exception transactions related to:

- Voided transactions
- No charge, validations, and rebates
- Lost or unreadable tickets
- Manually entered fee calculations
- Manual gate openings
- System outages and service breakdowns

We observed that automation also facilitated more timely identification and resolution of potential issues or exceptions, such as car park system outages, duplicate revenues, voided transactions, and misread tickets. Management advised automation has allowed staff to focus on customer service, wayfinding and on-site assistance rather than payment processing at off-street parking facilities.

² At the time of the original audit, cash represented a significant percentage of revenue transactions. Management indicated that mobile and credit card payments has increased, with cash now representing approximately three per cent of total revenue from off-street facilities.

For example, exception transactions processed by attendants were manually reviewed by the supervisors of attended operations. However, since automating manned booths, the risk is significantly reduced. Additionally, with the shift to digital payment methods, TPA can better leverage data to identify potential areas of risk for further investigation by monitoring exception transactions.

Approximately four years ago, management began generating and distributing daily reports to the TPA senior leadership team. These highlighted key events and incidents that could impact expected revenues for a given day, and significant variances from prior year and forecasted revenues. As a result, management can address exceptions more quickly and efficiently through data-driven analytics and enhanced monitoring processes.

The process automation has helped to improve TPA's revenue operations by reducing manual steps and supporting data-driven decision making. We are unable to quantify savings related to these efficiencies due to the passage of time from the implementation of automating processes in 2020, as well as employee turnover.

Recommendation #2 – Not Fully Implemented

As per TPA Policy Resolution 2-2, Annual Review of Parking Rates, TPA must perform an annual parking rate review at off-street facilities in accordance with the objectives, guidelines and benchmarks set out in TPA Policy Resolution 2-1, Parking – Off-Street Facilities.

Documenting deviations from benchmarking guidance is required

Recommendation 2 required TPA to clearly communicate how long-term parking rates align with parking rate benchmarks and document the rationale for any deviations.

This recommendation ensures TPA adjusts rates to align with their mandate and objectives that include providing short-stay, high-turnover parking. This is especially relevant in neighbourhood commercial areas and to encourage downtown commuters to park at peripheral car parks and use public transit where available. Long-term parking is considered when target occupancy rates are not met. The benchmarks provide guidance on long-term rate setting.

Documentation to support long-term parking rate proposals should be documented and retained

We reviewed TPA’s annual rate reviews in 2025 and 2024 and found that there was a lack of documentation to support the deviations from the benchmarks outlined in *Policy Resolution 2-1*. TPA acknowledges the lack of documentation and provided a Management Response with an updated timeline for implementation in **Exhibit 1**.

As a result, we assessed this recommendation as not fully implemented. Addressing this recommendation is essential to strengthen transparency and accountability when recommending long-term parking rates at off-street facilities.

2. Results of Agreed-Upon Procedures to Assess Controls over Pay & Display Credit Card Revenues, April 2021

The [Results of Agreed-Upon Procedures to Assess Controls over Pay & Display Credit Card Revenues](#) report presented the Auditor General’s considerations of risks raised in a complaint received through our Fraud and Waste Hotline, alleging that credit card revenue was redirected by TPA’s vendor of Pay & Display machines and related services.

The conclusions in this report were based on the results of work performed by TPA’s external auditor, under the Auditor General’s independent oversight, to examine key controls over the vendor’s system to process TPA credit card parking revenues. These procedures tested whether the controls provided reasonable assurance over the completeness and accuracy of recorded revenue and receivables.

The report concluded there was no evidence to suggest that TPA credit card revenue was redirected by TPA’s vendor. However, the vendor did not have formal mechanisms to report internal control deficiencies and did not monitor the activities of authorized users with access to the Pay & Display software system.

The Auditor General’s report recommended TPA take measures to request its vendor to strengthen internal controls over TPA’s Pay & Display machines revenue transactions.

In this follow-up cycle, we verified and agree with management’s assessment of this recommendation as being no longer applicable.

Major developments to TPA's control environment impacted relevance of the recommendation

Since the 2021 report, there have been significant enhancements to TPA's control environment that have reduced the risk that gave rise to the original recommendation.

As noted above in our follow-up review for the 2016 report, TPA's control environment underwent significant changes due to the implementation of automated revenue and reconciliation processes, which reduced the risk of revenue transaction exceptions.

Additionally, the following further developments are underway or took place:

- Decommissioning legacy Pay & Display machines by Q1 2027 (approximately 63% of machines (1,964 out of 3,127) have been decommissioned as of April 30, 2026)
- Continued growth of Green P app usage (represented approximately 81 per cent of revenue streams in 2025 compared to a combined 16 per cent represented by cash and credit card transactions processed through Pay & Display machines)
- Annual Payment Card Industry Data Security Standard (PCI DSS) compliance audits

Although the decommissioning is not fully complete and there is still some revenue processes by the Pay & Display machines, these developments substantially reduced the original risk conditions noted in the 2021 report associated with the Pay & Display machines.

Continued responsibility to monitor vendor services

TPA receives a Canadian Standard on Assurance Engagements (CSAE) 3416 report from its Pay & Display vendor each year. These list certain controls that TPA is responsible for establishing, demonstrating shared oversight responsibilities between TPA and its vendor to actively monitor and review aspects of services provided. Management advised that these controls were considered and that TPA have made efforts to implement and align their internal controls and procedures to ensure that the environment is secure and effective. Documentation demonstrating TPA's review of the CSAE 3416 report from its Pay & Display vendor including how the internal controls recommended by the vendor are considered and implemented would be beneficial

Given the changed circumstances that mitigate the underlying risk that gave rise to the recommendation in the report, we have assessed the recommendation as no longer applicable.

3. Improvement Needed in Managing the City's Wireless Telecommunication Contracts, May 2018

Auditor General recommended City agencies and corporations implement relevant recommendations from telecom audits to achieve savings

The Auditor General previously completed a series of audits at the City and the Toronto Transit Commission³, to improve telecommunication services contracts and monitoring of telecommunication expenses to achieve savings.

At that time, the Auditor General recommended City Council request the Chief Executive Officers of City agencies and corporations to review and implement relevant recommendations from these telecommunication audits, including recommendations to achieve savings by:

- comparing pricing available in the market or to other public sector organizations for similar telecommunication services used by the City (and its agencies and corporations)
- exploring inter-governmental procurement opportunities for acquiring telecommunication services

TPA obtained better rates by leveraging provincial arrangement

In October 2025, TPA's Board of Directors adopted recommendations to enter a five-year contract that would leverage inter-governmental contracts.⁴

TPA expects to achieve savings by obtaining more favourable rates under the Province of Ontario's Vendor of Record (VOR) arrangement for the supply and delivery of telecommunication services (including cell phones, accessories, and services for TPA staff, as well as mobile connectivity to Bike Share stations and electric vehicle chargers).⁵

\$163,385 in annually recurring savings

We validated that by the time existing lines and services are fully converted under the new contract, TPA will achieve annual savings of approximately \$163,385, totalling approximately \$816,923 over the term of the contract, with additional savings projected if TPA extends its contract.⁶

³ [Improvement Needed in Managing the City's Wireless Telecommunication Contracts Auditor General's report: Toronto Transit Commission - Managing Telecommunication Contracts and Payments](#)

⁴ [Agenda Item History - 2025.PA16.11](#)

⁵ In 2018, TPA entered into a similar Province of Ontario VOR arrangement for a two-year period, with 2 two-year extension options. Estimated annual savings of \$52,000 for wireless communication services and \$18,000 for the Bike share program. Refer to the TPA Staff Report on [Use of the Province of Ontario Vendor of Record for the Provision of Wireless Telecommunication Services and Hardware](#) for further details.

⁶ TPA reported that the "total potential value of VOR adoption is approximately \$1,890,268.00, excluding HST, for the entire term of the contract, including the initial 5 years as well as the optional two (2) terms of two (2) years each". Refer to the TPA Staff Report on the [Contract Award for the Supply of Wireless, Data Services and Accessories](#)

The original audit report is available at:

[Improvement Needed in Managing the City's Wireless Telecommunication Contracts](#)

Conclusion

6 recommendations closed in this follow-up

Exhibit 1 lists the six recommendations reviewed and determined to be fully implemented or no longer applicable in this follow-up cycle.

1 recommendation remains in progress

We will continue to monitor and assess the one remaining outstanding recommendation and will report our results in a future follow-up review. TPA has made good progress in closing and addressing recommendations by improving controls through automation and strengthening monitoring practices.

Thank you

We would like to express our appreciation for the co-operation and assistance we received from management and staff at the Toronto Parking Authority.

Exhibit 1: Toronto Parking Authority – Results of the Auditor General’s 2026 Follow-up Review

#	Auditor General Reports & Recommendations In Scope	In Scope Recommendations	Auditor General Assessment		
			Fully Implemented	No Longer Applicable	Not Fully Implemented
1	Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities, 2016	4	2	1	1
2	Auditor General’s Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority – Part 2, 2017	2	2	0	0
3	Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues, 2021	1	0	1	0
Total		7	4	2	1

TORONTO PARKING AUTHORITY RECOMMENDATIONS ASSESSED BY THE AUDITOR GENERAL IN THE 2026 FOLLOW-UP REVIEW

Report: Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities, 2016

No.	Recommendation
<i>Not Fully Implemented</i>	
#2	The Board of Directors request the Chief Executive Officer to clearly communicate how long term parking rates align with the parking rate benchmarks (as set out in Toronto Parking Authority Policy Resolution 2-1 “Parking Rates – Off-Street Facilities”) and document the factors which may impact the alignment of Toronto Parking Authority parking rates with the benchmarks.
<i>Management Response</i>	
<p>Management agrees with the recommendation. The TPA will document the factors which may impact the alignment of TPA parking rates with the benchmarks for each of the off-street locations in the annual review process to enhance transparency.</p> <p>TPA’s approach to rate setting at its off-street parking facilities is guided by TPA Policy Resolution 2-1: Parking Rates - Off-Street Facilities. Under the current framework, Management carries out a comprehensive review of TPA’s off-street facilities at least once a year with the results of the review and recommended rate changes then brought forward to TPA Board of Directors for approval as part of the annual budget process.</p> <p>Accordingly, TPA will continue to conduct a comprehensive annual review in 2026 of all off-street facilities for which it has rate-setting responsibility or authority, with a focus on impacts to the 2027 budget year. This review will include an assessment of observed competitor parking rates for facilities with comparable characteristics, including size, customer segmentation, and consumer behaviour. It will also examine evolving industry practices—such as dynamic pricing and flex parking—to inform potential formula-based updates to monthly permit pricing and possible changes to hours of operations.</p>	

<i>Fully Implemented and Closed</i>	
#3	The Board of Directors request the Chief Executive Officer, where possible, to: <ul style="list-style-type: none"> a. Implement automated interfaces between the parking revenue control system and the accounting system. b. Automate the recording and reconciliation of revenue generating transactions, collections, and deposits.
<i>Fully Implemented and Closed</i>	
#4	The Board of Directors request the Chief Executive Officer to use system functionality, where possible, and analyze collected data to augment monitoring of exception transactions and events.
<i>No Longer Applicable and Closed</i>	
#12	The Board of Directors request the Chief Executive Officer, in consultation with the Board's Finance and Audit Committee, to review the role and mandate for the Internal Audit function. Such review to determine whether the Internal Audit function be required to: <ul style="list-style-type: none"> a. Preserve independence and objectivity, transferring all operational duties to other Toronto Parking Authority personnel. b. Conduct audits or issue reports in accordance with or guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors.

Report: Auditor General's Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2, 2017

No.	Recommendation
<i>Fully Implemented and Closed</i>	
#2	The Board of Directors request the President to review and recommend to City Council appropriate amendments to Toronto Parking Authority's by-law.
<i>Fully Implemented and Closed</i>	
#5	City Council request the City Manager, in consultation with the City Clerk and the City Solicitor, to update as necessary guidelines and training for Agency boards based on the findings in the report (June 22, 2017) from the Auditor General.

Report: Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues, 2021

No.	Recommendation
<i>No Longer Applicable and Closed</i>	
#1	The Board request the President, Toronto Parking Authority to address the findings of the external auditor including: <ul style="list-style-type: none"> a. requesting the vendor of its Pay Display machines and related services to implement formal reporting mechanisms to identify, assess, track and report internal control deficiencies and subsequent remediation efforts;

	<ul style="list-style-type: none">b. requesting the vendor of its Pay and Display machines and related services to implement appropriate controls to be able to monitor activity of users that are able to access the system underlying Toronto Parking Authority's Pay and Display machines; andc. obtaining an annual CSAE 3416/SOC1 (Service Organization Control) Type 2 report from the vendor of its Pay and Display machines and related services.
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Exhibit 2: Toronto Parking Authority – Status of Auditor General Reports with Outstanding Recommendations

Auditor General Reports	Audit Report Recommendations	Closed Recommendations	Not Fully Implemented
Toronto Parking Authority Phase 2: Audit of the Revenue Operations of Off-Street Controlled Facilities , 2016	12	11	1
Auditor General’s Observations of a Land Acquisition at Finch Avenue West and Arrow Road by the Toronto Parking Authority - Part 2 , 2017	6	6	0
Results of Agreed-Upon Procedures to Assess Controls over Pay and Display Credit Card Revenues , 2021	1	1	0
Total	19	18	1

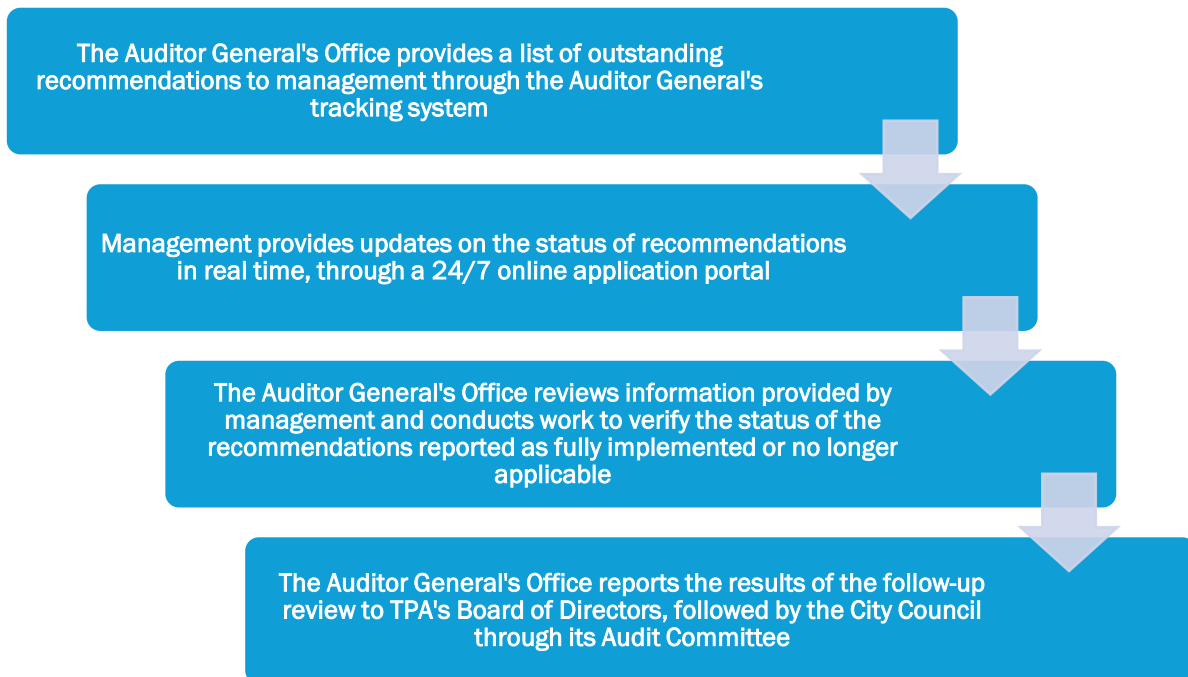
Exhibit 3: Auditor General’s Follow-up Process

Overview of the Auditor General’s follow-up process

Our follow-up process as summarized in **Figure 2** below, requires management to review the outstanding recommendations and provide information on their implementation status.

Where management is continuing to take actions to address recommendations and has reported the recommendation as not yet fully implemented, we do not generally conduct follow-up work until it has been reported by management as fully implemented.

Figure 2: Key Steps in the Recommendation Follow-up Process



For recommendations that management reports as fully implemented or no longer applicable, management is required to provide an explanation as well as sufficient and appropriate supporting documentation. The Auditor General's Office conducts work to verify the status of these recommendations.

In each follow-up report, the Auditor General highlights noteworthy recommendations, such as those resulting in financial or non-financial benefits after implementation.

The Auditor General’s follow-up of outstanding recommendations does not constitute a performance audit conducted in accordance with Generally Accepted Government Auditing Standards. However, we perform sufficient work to validate management’s assertions that recommendations are either fully implemented or no longer applicable.

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