

TORONTO STAFF REPORT

June 1, 2006

To: Audit Committee

From: Auditor General

Subject: Auditor General's Proposed Participation in the International Program for Improved Governance and Accountability in South Africa

Purpose:

To provide City Council with an update on the International Program for Improved Governance and Accountability in South Africa – a partnership initiative involving the governments of South Africa, Canada, the Province of Ontario, the City of Toronto, the Canadian Comprehensive Auditing Foundation, the World Bank and the Institute of Internal Auditors.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of the recommendation contained in this report.

Recommendations:

It is recommended that this report be received for information.

Background:

In May 2005, City Council approved the participation of the Auditor General's Office in the International Assistance Program for Improved Governance and Accountability in South Africa.

Important participants in this project include the Auditor General of Canada, the Auditor General of Ontario, the Auditor General of the City of Toronto, the Institute of Internal Audit, the Forum of the South African Heads of Internal Audit and the Canadian Comprehensive Auditors Foundation.

The objective of the program is to enhance the effectiveness of the Internal Audit function and to afford previously disadvantaged staff from South Africa the opportunity to experience world-class audit environments and best practices and alleviate the shortage of skilled public sector internal auditors in South Africa.

For the most part, the program will comprise of a nine-month work/training assignments for selected South African audit staff to Canada's and Ontario's respective Internal Audit organizations, as well as to the City of Toronto's Auditor General's Office. The salaries of South African staff will be funded by the World Bank. All other costs will be funded by either the World Bank or the South African government.

Comments:

The Auditor General has recently had discussions with senior staff from many of those organizations participating in the program. Further meetings are being held with representatives from the World Bank by the Canadian Comprehensive Auditors Association over the next number of months in order to move the program forward. The success of the program depends on the availability to the South African government of funds from the World Bank.

Conclusions:

All parties involved in this project, particularly the South African government, continue to be committed to the program. Discussions with the World Bank for funding for the South African government is ongoing. These discussions are being conducted by representatives of the Canadian Comprehensive Auditors Foundation on behalf of the South African government. It is anticipated that a final decision on the funding relating to this project will be made by the end of June 2006.

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