

**Auditor General's Office - Annual Reporting Process**

<b>Date:</b>	May 29, 2009
<b>To:</b>	Audit Committee
<b>From:</b>	Jeff Griffiths, Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

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In considering a report dated April 23, 2009 entitled "A Policy Framework for Toronto's Accountability Officers", Council requested that "the Accountability Officers' inform Council of the requirements, contents and timing of their annual report". This report is the Auditor General's response to the request from City Council.

The annual reporting to City Council by the Auditor General consists of a number of different reports. This report outlines each of the annual reporting processes to City Council by the Auditor General.

**RECOMMENDATION**

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**The Auditor General recommends that:**

1. City Council receive this report for information.

**FINANCIAL IMPACT**

There are no financial implications.

**BACKGROUND INFORMATION**

At its meeting on April 29 and 30, 2009, City Council adopted a report from the City Manager entitled "[A Policy Framework for Toronto's Accountability Officers](#)". In considering this report Council requested that "the accountability officers' inform Council of the requirements, contents and timing of their annual report".

## COMMENTS

The Auditor General's annual reporting to City Council consists of a number of different but inter-related reports. These separate reports are as follows:

- Auditor General's Office – Budget
- Audit Work Plan
- Annual Report – Auditor General's Office – Benefits to the City of Toronto
- Annual Report – Fraud and Waste Hotline
- Annual External Audit

Information pertaining to each of the above is as follows:

### Auditor General's Office – Budget

Each year the Auditor General submits a detailed budget document to Audit Committee. This report contains significant background information relating to the Office as well as details relating to the annual budget request. Details contained in the report include:

- Information relating to the Audit Framework at the City. The framework describes the roles and responsibilities of the Auditor General's Office as set out in Chapter 169 of the Municipal Code. It also describes the relationship between the Auditor General's Office, the Internal Audit Division of the City's Manager's Office, the external annual financial auditor and the internal audit functions at the Toronto Transit Commission and the Toronto Police Service.
- Information relating to the external annual financial audit of the City as required under Section 139 of the *City of Toronto Act, 2006*.
- Information relating to the administrative framework of the Auditor General's Office. The framework outlines details relating to the requirements of the Auditor General to comply with professional audit standards; the independent quality assurance review of the Auditor General's Office; the requirement that an external audit be conducted of the Auditor General's Office and information concerning staff mandatory training requirements.
- Information relating to the annual budget request. The annual budget request contains information relating to:
  - the composition and analysis of the budget request
  - the benchmarking of the audit costs at the City with other jurisdictions
  - the external audit fees
  - the Auditor General's Annual Work Plan
  - the coordination of the Auditor General's work with the Integrity Commissioner, the Lobbyist Registrar and the Ombudsman

### Audit Work Plan

In accordance with Section 169-30.1A of the Municipal Code, the Auditor General “shall submit an annual audit plan to Council”.

The Audit Work Plan outlines the audit work planned for the following year. The plan includes information relating to audits in progress, new audits, annual recurring projects and various investigations carried out as a result of fraud hotline complaints. The Audit Work Plan also describes a formal follow-up process to ensure recommendations contained in previously issued audit reports have been implemented.

### Annual Report – Auditor General’s Office - Benefits to the City of Toronto

This report is prepared in response to a request from Audit Committee. The report itemizes the extent of the quantifiable benefits which have resulted from the work of the Auditor General’s Office. It contains significant details on individual audit projects completed during the year.

### Annual Report - Fraud and Waste Hotline

In June 2000, Audit Committee required that the Auditor General submit an annual report on the status of fraud and related matters. The report contains statistical information on the number and type of fraud related complaints received by the Auditor General’s Office as well as specific information on the disposition of the complaints.

### Annual External Audit

An independent annual external audit is conducted by an independent accounting firm. The results of the audit are reported to City Council on an annual basis.

Links to each one of the most recent reports are as follows:

- [Auditor General’s Office – Budget](#)
- [Audit Work Plan](#)
- [Annual Report – Auditor General’s Office – Benefits to the City of Toronto](#)
- [Annual Report – Fraud and Waste Hotline](#)
- [Annual External Audit](#)

In addition, and unlike the Auditor General of Ontario who reports the results of his audits on an annual basis, the Auditor General at the City reports to the Audit Committee, generally four times a year. This reporting process includes details on specific work plan projects as they are completed.

## **CONTACT**

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## **SIGNATURE**

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Jeffrey Griffiths, Auditor General

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