



**Auditor General's Office**

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**Auditor General's Office  
2010 Budget**

**March 3, 2010**

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Auditor General

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**AUDIT COMMITTEE APPROVED 2010 BUDGET**

	(000s)
<b>Council Approved 2009 Budget</b>	\$ 4,381
<u>Increase for 2010</u>	
Economic Factors	2
Progression Salary Increases & COLA	61
Salary & Fringe Benefit Adjustments	<u>22</u>
Base Budget	\$ 4,466
Additional Part-Time Administrative Staff	<u>43</u>
<b>Audit Committee 2010 Approved Budget</b>	<b>\$ <u><u>4,509</u></u></b>
Increase of 2.9%	



# Auditor General's Office

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## ANALYSIS OF 2010 AUDIT COMMITTEE APPROVED BUDGET

	<u>(000s)</u>
Auditor General	\$ 4,025
External Audit Fees	<u>484</u>
<b>Audit Committee Approved Budget</b>	<b>\$ <u><u>4,509</u></u></b>

**FINAL REQUESTED 2010 BUDGET**

	<u>(000s)</u>
Audit Committee Approved Budget	\$ 4,509
Reduction in External Audit Fees	<u>(183)</u>
<b>Final Requested 2010 Budget</b>	<b><u><u>\$ 4,326</u></u></b>
<b>Decrease from 2009 Budget of \$4,381</b>	<b><u>1.3%</u></b>

**ADJUSTMENTS TO AUDIT COMMITTEE  
APPROVED 2010 BUDGET****Recommendation:**

That the 2010 budget of the Auditor General's Office as approved by Audit Committee be reduced by \$183,000 to reflect the recent results of the request for proposal for external audit services.

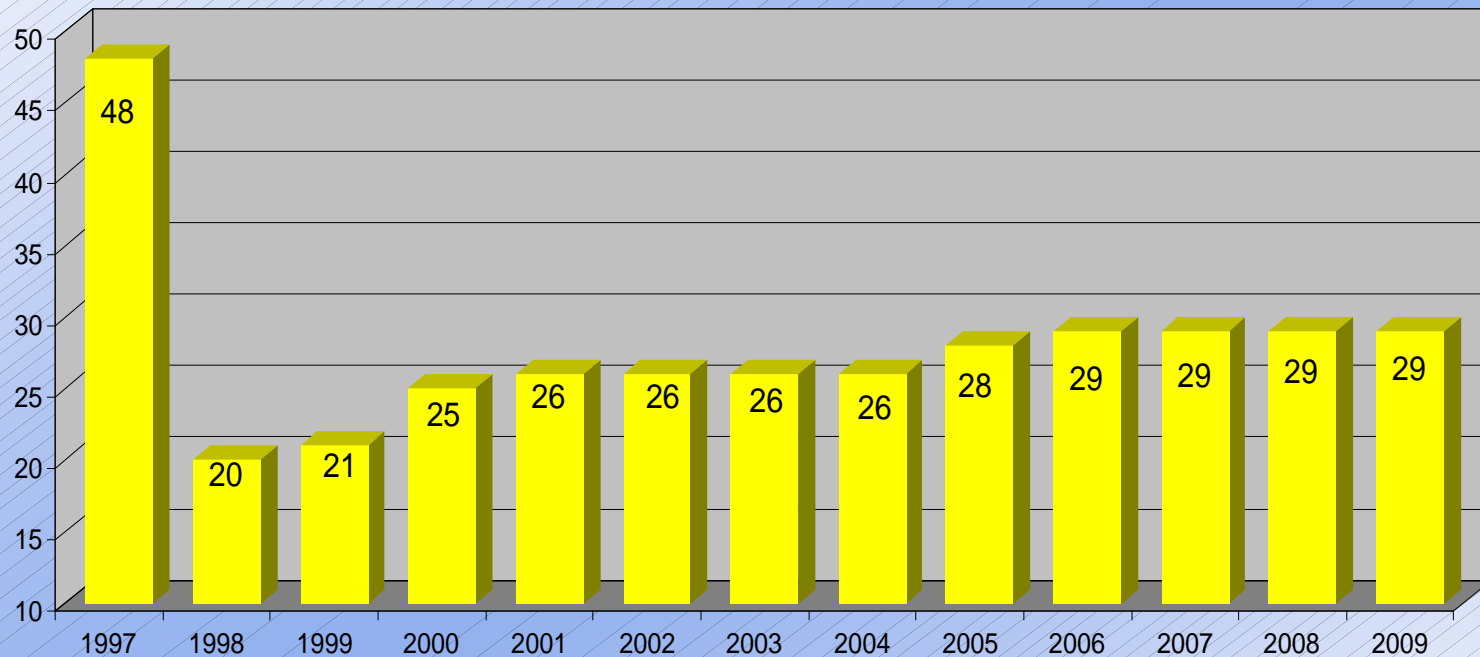
## Comparison of Audit Costs

	2009 Municipal Budget (in \$000s)	2009 Audit Costs (in \$000s)	Audit Costs as a % of Municipal Budget
	\$	\$	%
<b>Canadian Jurisdictions</b>			
<b>City of Toronto</b>	<b>8,700,000</b>	<b>6,988</b>	<b>0.08</b>
Montreal	4,071,000	4,492	0.11
Calgary	2,416,000	2,285	0.10
City of Ottawa	2,414,000	1,940	0.08
Edmonton	1,594,000	1,936	0.12
Vancouver	857,000	750	0.09
Quebec City	981,000	1,384	0.14
<b>U.S. Jurisdictions</b>			
Chicago	7,898,000	5,864	0.07
San Francisco	6,531,000	7,633	0.12
Phoenix	3,735,800	3,547	0.10
San Jose	1,050,000	2,642	0.25
Philadelphia	7,389,000	8,255	0.11

**ANALYSIS OF AUDIT COSTS AT THE CITY**

Auditor General's Office	\$ 3,897,000
Internal Audit – City Manager	863,000
TTC Internal Audit	1,430,000
Police Service Internal Audit/Quality Assurance	<u>798,000</u>
	<b>\$ <u><u>6,988,000</u></u></b>

## APPROVED POSITIONS 1997 – 2009

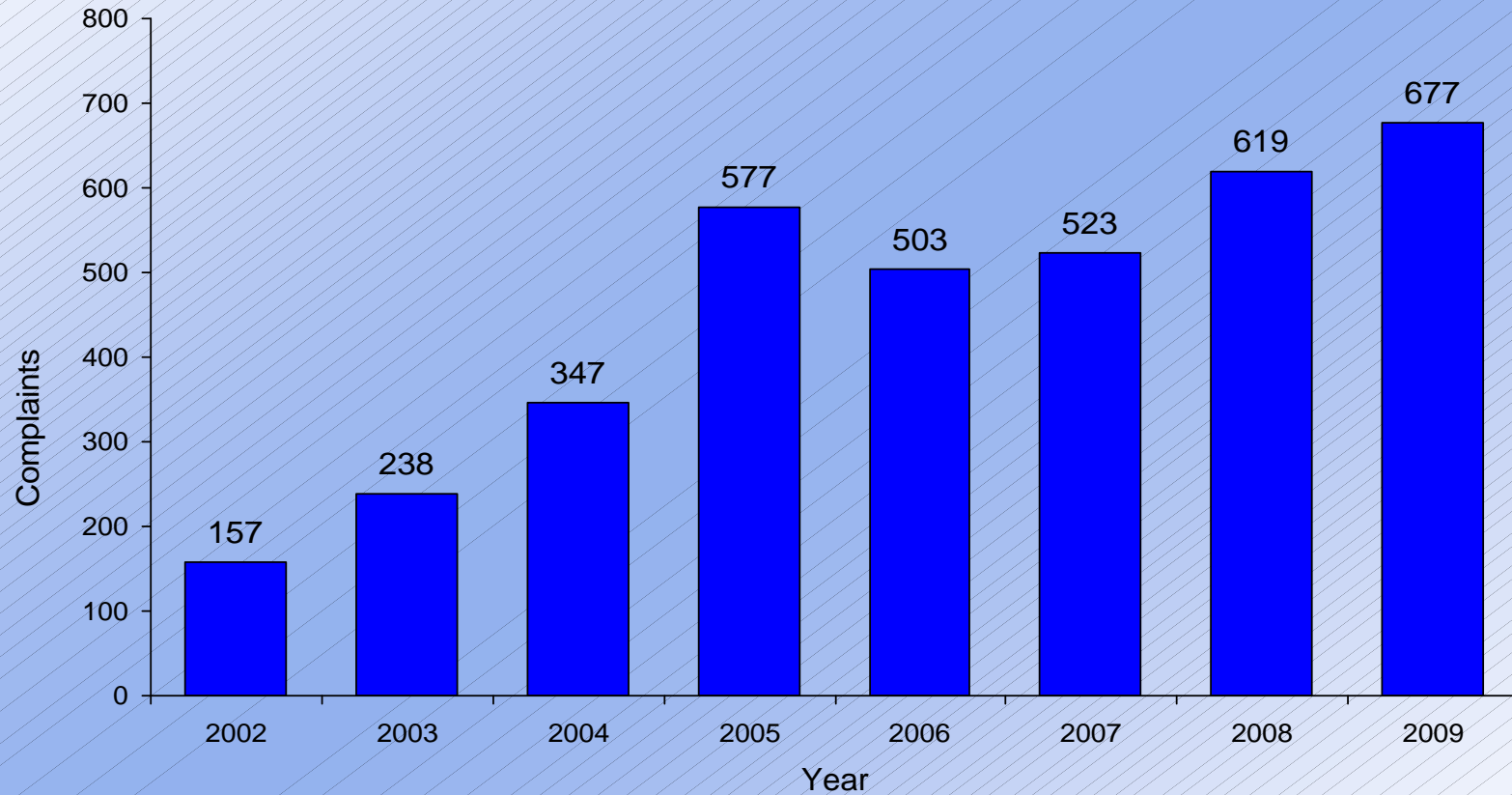


### Key Points:

- Request in 2010 for 0.5 of a position
- 1997 included staff from former Metro Toronto (27), City of Toronto (16) and Scarborough (5) audit units
- Fraud Waste Hotline responsibilities commenced in 2002.



**Fraud and Waste Hotline Program  
Number of Complaints by Year**



## **POTENTIAL BUSINESS CASE FOR INCREASED AUDIT RESOURCES**

- Mayor's Fiscal Review Panel
- Comparisons with other jurisdictions
- Predetermined audit costs in other jurisdictions
- Additional workload
  - Fraud and Waste Hotline
  - Audit Projects

**IMPACT OF BUDGET REDUCTIONS**

		<u>(000s)</u>
2009 Approved Budget		\$ 4,381
5% Reduction		<u>(219)</u>
Adjusted Base Budget		4,162
2010 Base Budget	4,466	
Less Reduction in External Audit Fees	<u>(183)</u>	
		<u>4,283</u>
Reduction Required		\$ <u>(121)</u>

## **THE AUDIT PROCESS ADDITIONAL BACKGROUND INFORMATION**

- Annual Budget Document
- Annual Fraud and Waste Hotline Report
- Annual Work Plan
- Annual Report on the Benefits of the Audit Process