



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Auditor General's Office Operating Budget – Response to City Council's Request

Date:	January 25, 2013
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

City Council at its meeting of January 15, 16, 2013 during its deliberations of the Operating Budget of the Auditor General, *“reduced the Auditor General’s 2013 Operating Budget by 0.5 full time equivalent in the amount of \$0.046 million and increased the Ombudsman’s 2013 operating budget by 0.5 full time equivalent in the amount of \$0.046 million.”*

Council further requested that *“the Auditor General report to the Budget Committee on the staffing needs to fulfill the work plan requirement.”* This report responds to this specific request.

RECOMMENDATION

The Auditor General recommends that:

1. Audit Committee forward this report to the Budget Committee.

Financial Impact

The recommendation in this report has no financial impact.

COMMENTS

The Auditor General prepares a work plan on an annual basis. The work plan is prepared based on the resources available.

Further, in September 2012, the Auditor General submitted to Audit Committee a detailed report pertaining to the proposed 2013 budget for his Office.

Included in the report were the following comments:

“In submitting a budget request, we recognize the financial constraints under which the City operates and over the past number of years our budget requests have reflected this reality. Nevertheless, it is important to recognize that the audit work conducted by this Office is not at a level commensurate with the size and complexity of the City. In order to address audit projects which have been deferred as well as to accommodate the increased volume of complaints received by the Fraud and Waste Hotline, it is anticipated that the positions currently gapped should be filled and additional resources in the range of \$500,000 be provided.”

Our 2013 and previous audit work plans have always been based on the resources available. There are a significant number of audits which continue to be deferred because of limited resources. In addition, the Auditor General is now at the stage where audits previously conducted should be the focus of a second review. Resources are not available to allow for this.

In addition, the budget document stated that:

“Measured by all available yard sticks, whether it be legislative requirements in other jurisdictions or comparisons with other municipalities, the budget of the Auditor General’s Office is inadequate in relation to the audit work required.”

Further, the report stated that:

“Finally, in validation of the views of the Auditor General the previous Mayor’s Fiscal Review panel in its report entitled ‘Blueprint for Fiscal Stability and Economic Prosperity – a Call to Action’, dated February 2008 independently recommended that the City should increase the budget for the Auditor General’s Office to enable it to complete more efficiency audits and drive more savings.’

This recommendation has not been addressed.

Conclusion

The information requested by Council has previously been provided on a number of occasions. The current work plan is predicated on resources available.

As indicated in the annual budget report, the Auditor General is aware of the financial constraints under which the City operates. Consequently, requests for additional resources have not been made.

Finally, during Council deliberations relating to the Budget of the Auditor General, it was suggested that positions presently permanently gapped could be filled. On the contrary,

positions which have been permanently gapped cannot be filled. The gapped positions are required to meet the approved 2013 operating budget.

CONTACT

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SIGNATURE

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