

**Presentation to Audit Committee  
October 28, 2016**

**EX22.2a**

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Auditor General**

# **Auditor General's Office 2017 Operating Budget**

# Mandate of the Auditor General

The Auditor General is responsible for **assisting City Council** in holding itself and city administrators accountable for:

- the *quality of stewardship over public funds* and for
- the *achievement of value for money* in city operations

s.178(1) COTA

# Three Lines of Business

Performance audits of programs, operations & information technology.

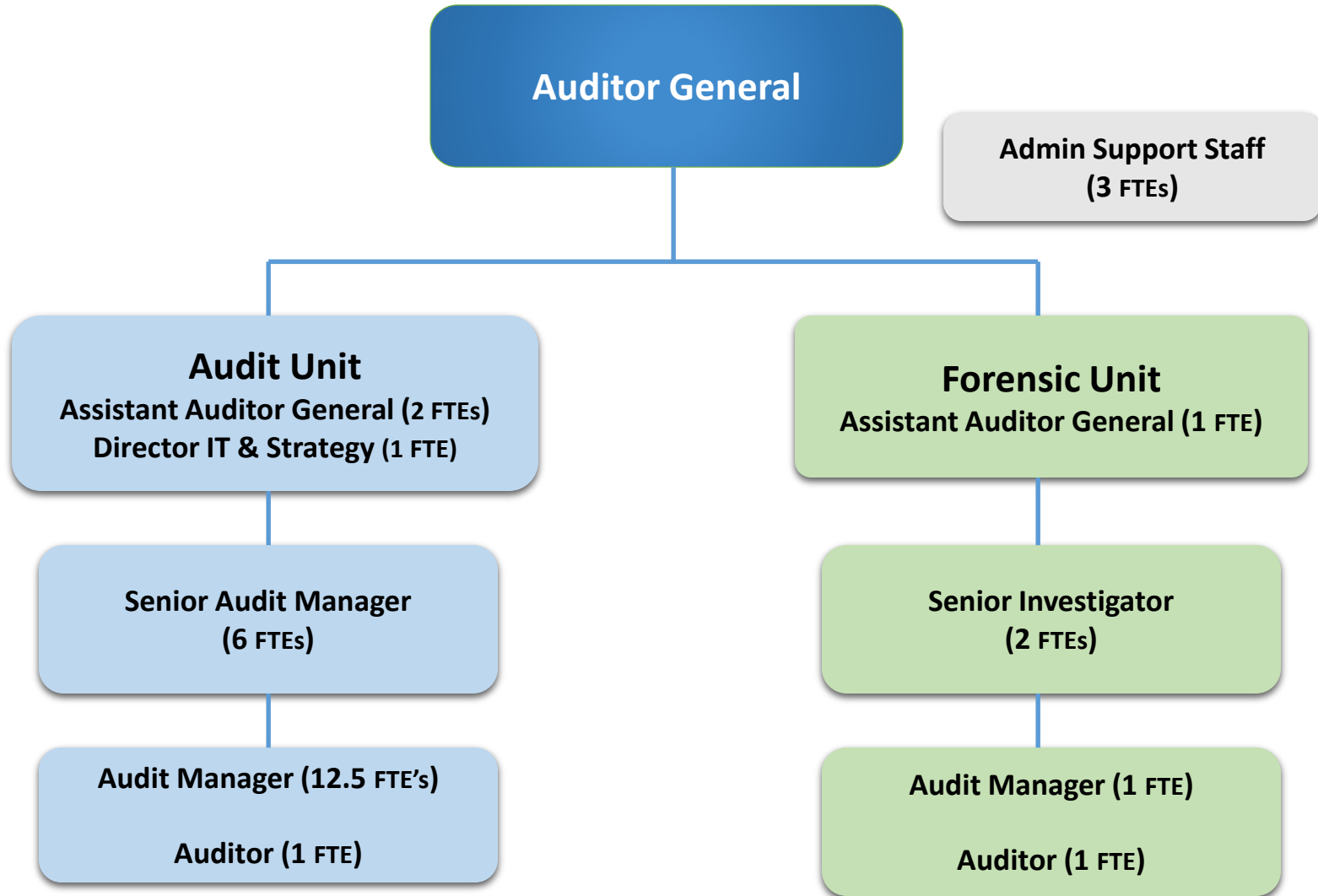
Audits of financial controls & compliance with regulations & policies.



External Financial Statement Audit  
Contract Management

# AG Office 2016 Organization Chart

## 31.5 FTEs



# Key Messages

1. Results
2. City Council's 2017 Budget Target Reduction
3. Budget Request

# Results: 2016 Reports

- **15 Audit Reports**

Examples include:

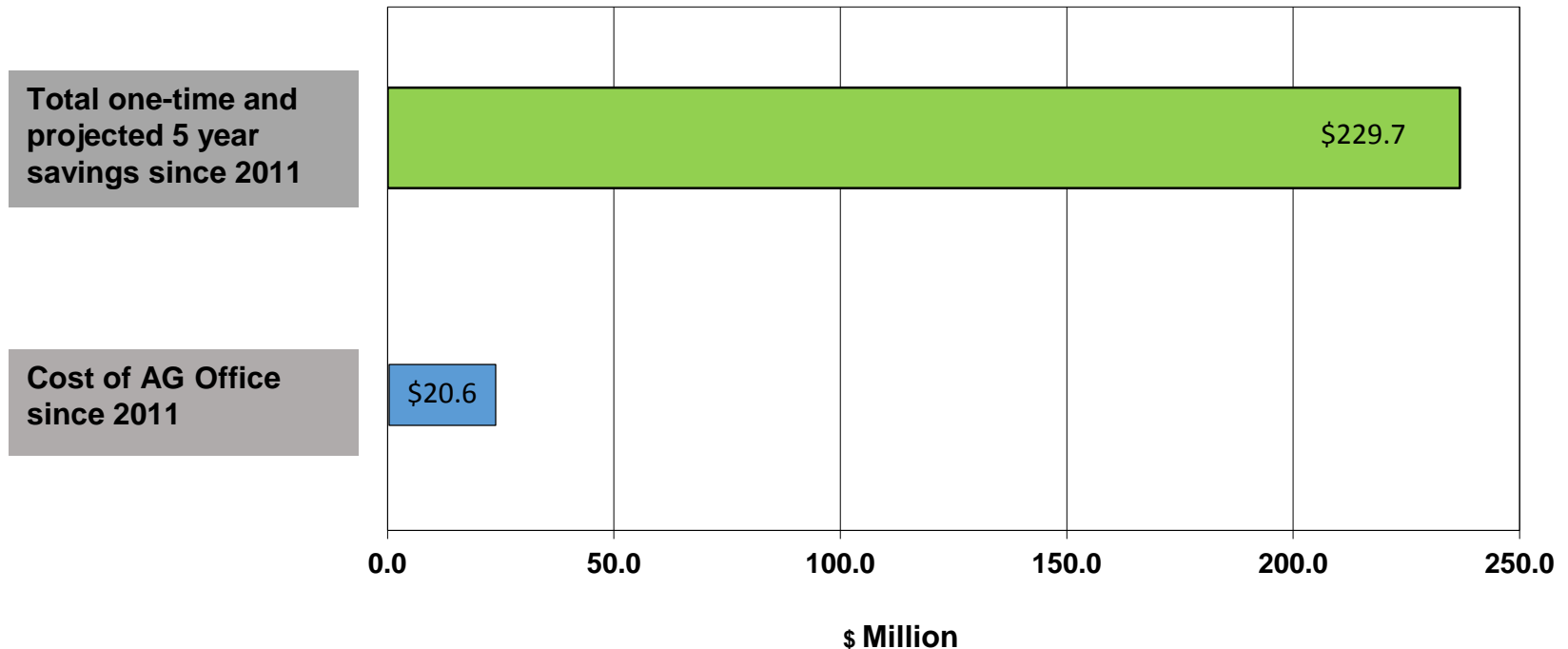
- Audit of the Revenue Operations of Off-Street Controlled Facilities [[TPA Revenue Operations](#)]
- Vulnerability and Penetration Testing – Phase 1: External Penetration Testing [[City IT Network Vulnerability](#)]
- Overdue Water Account Collections Require Strengthening [[Water Billing and Collections](#)]
- Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services [[City Cleaning Services – In-house and Contracted Cleaning](#)]
- Improving the Tendering Process for Paving Contracts [[Paving Contract Procurement](#)]
- Management of the City's Long-Term Disability Benefits, Phase Two: A Proactive and Holistic Approach to Managing Employee Health and Disability [[Management of City LTD Benefits](#)]
- Management of the [City's Employee Extended Health and Dental Benefits](#) Phase One

- **17 Other Reports**

Examples Include:

- Fraud & Waste Hotline
- Annual Work Plan
- Annual Recommendation Follow-up Reports
- AGO Benefits Report
- Continuous Controls Monitoring Reports

# Return on Investment: 2011-2015



**For every \$1 invested the return is \$11.20**

**Average \$46 million/year**

# City Council 2017 Budget Reduction Target

- City Council on July 12, 13, 14 and 15, 2016 adopted the following:

***“City Council adopt an across the board budget reduction target of -2.6 percent net below the 2016 Approved Net Operating Budgets for all City Programs, Agencies, Toronto Community Housing Corporation, and Accountability Offices”***



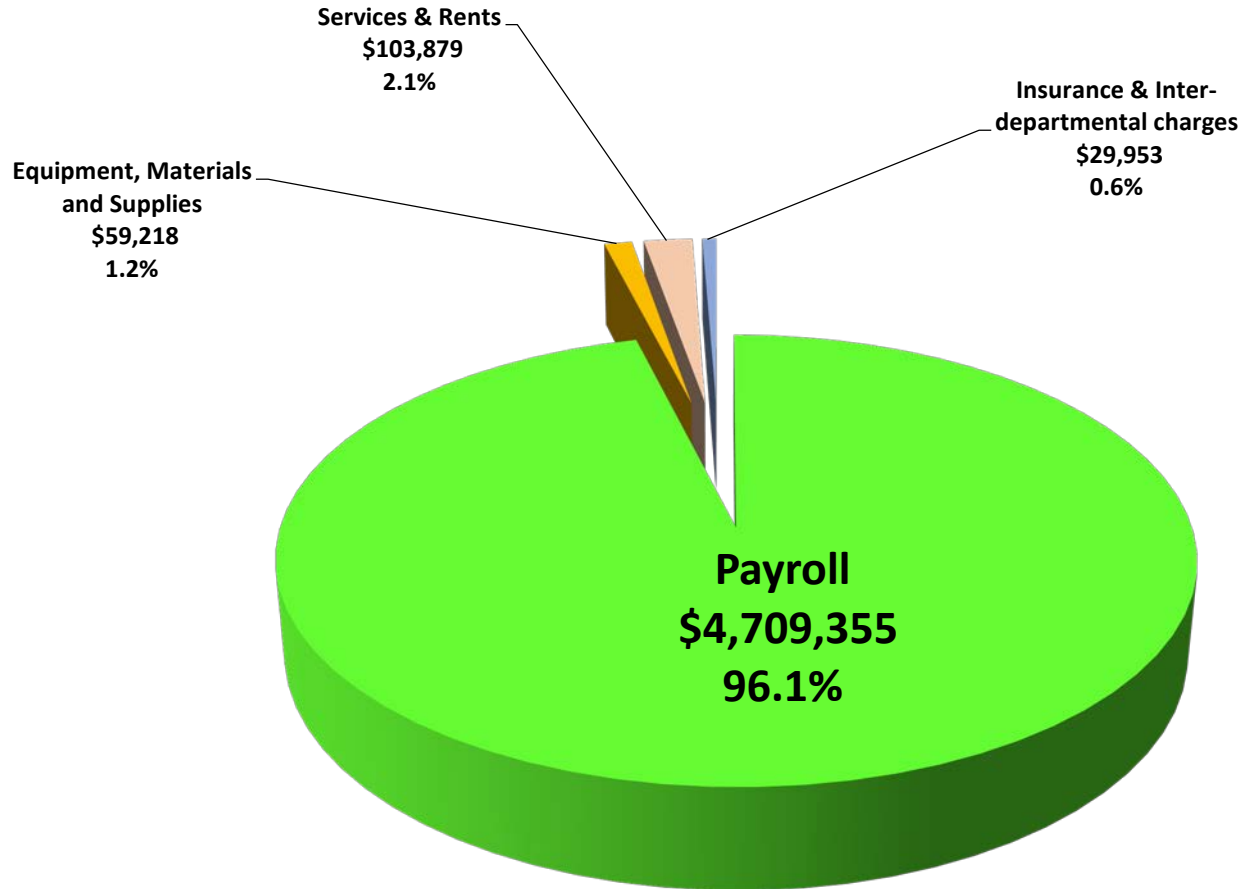
# 2017 Budget Summary

	Positions	Budget (in \$000)	% change
<b>2016 Approved Budget</b>	<b>31.5</b>	<b>\$5,033.3</b>	
Base Budget Changes		\$86.1	1.7%
<b>2017 Base Budget</b>	<b>31.5</b>	<b>\$5,119.4</b>	
Reorganization to achieve service efficiency and meet budget target	0.5	\$-217.0	-4.3%
<b>2017 Budget Request</b>	<b>32.0</b>	<b>\$4,902.4</b>	<b>-2.6%</b>

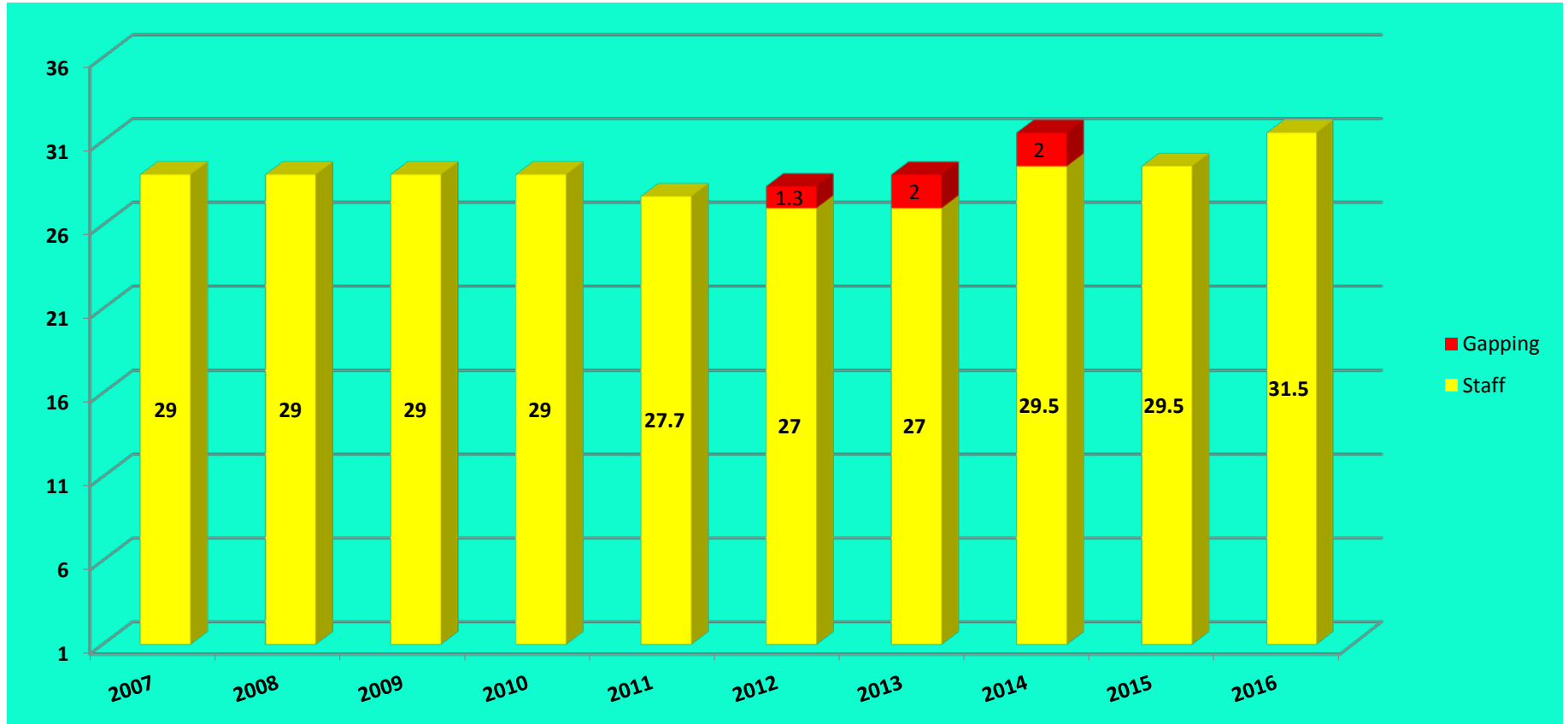
# 2017 Operating Budget Request

	2017 Budget Request (\$000)	2016 Approved Budget (\$000)	Difference 2017 over 2016 (\$000)	Percent (%) Change
Salaries	\$3,756.4	\$3,868.8	\$-112.4	-2.9
Benefits	\$952.9	\$974.3	\$-21.4	-2.2
Sub Total	\$4,709.3	\$4,843.2	\$-133.9	-2.8
Services, Materials and Supplies	\$170.8	\$167.8	\$3.0	1.8
Interdepartmental Charges	\$22.3	\$22.3	\$0.0	0.0
Sub Total	\$193.1	\$190.1	\$3.0	1.8
<b>Total</b>	<b>\$4,902.4</b>	<b>\$5,033.3</b>	<b>\$-130.9</b>	<b>-2.6</b>

# 2017 Budget Gross Expenditure By Category

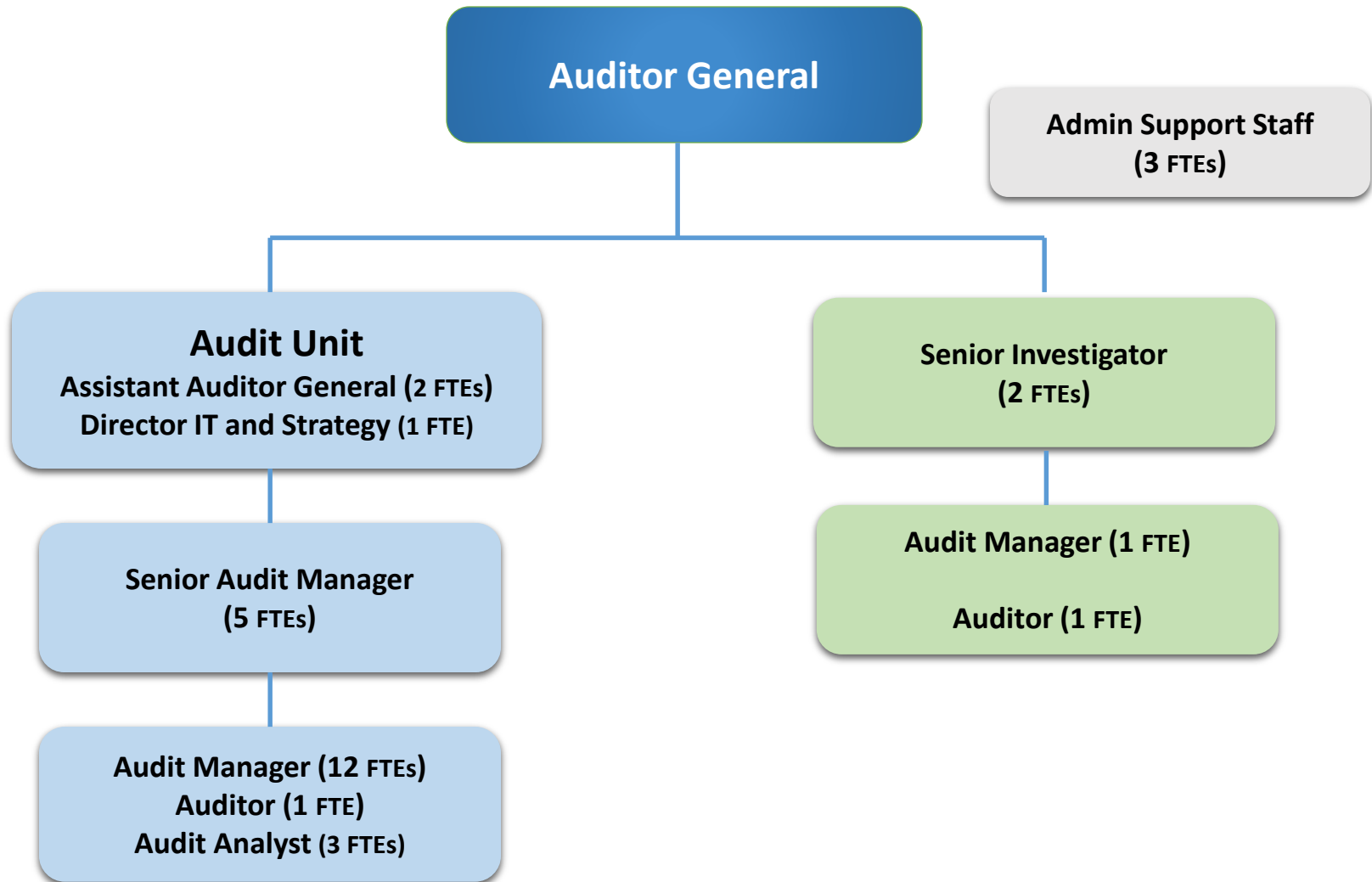


# Approved Positions 2007 to 2016



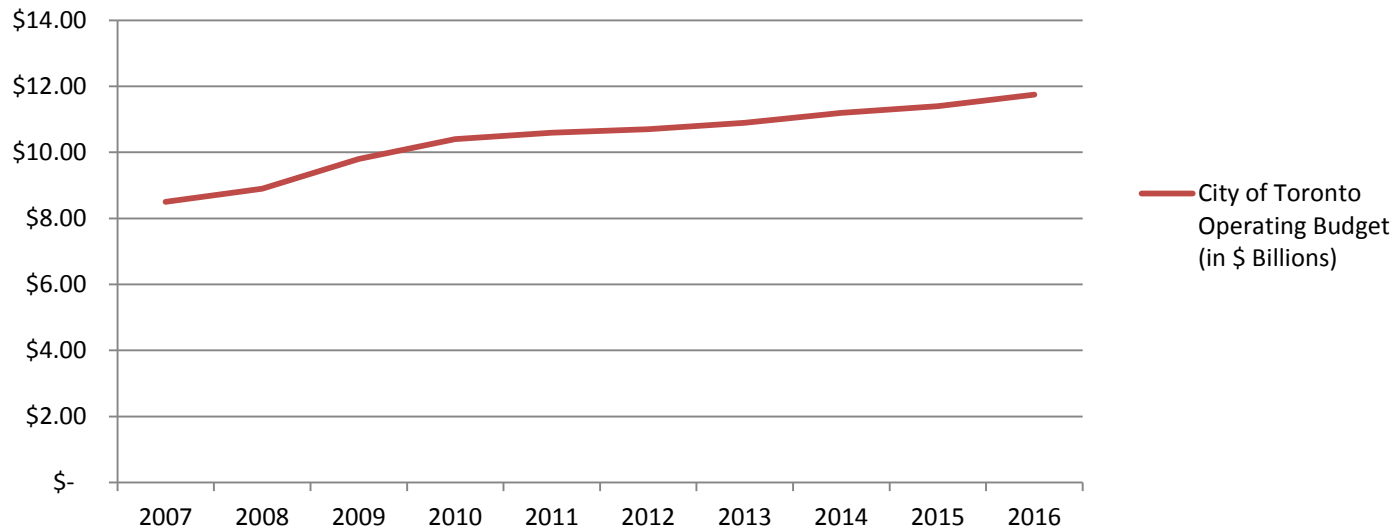
# AG Office 2017 Organization Chart

## 32 FTEs



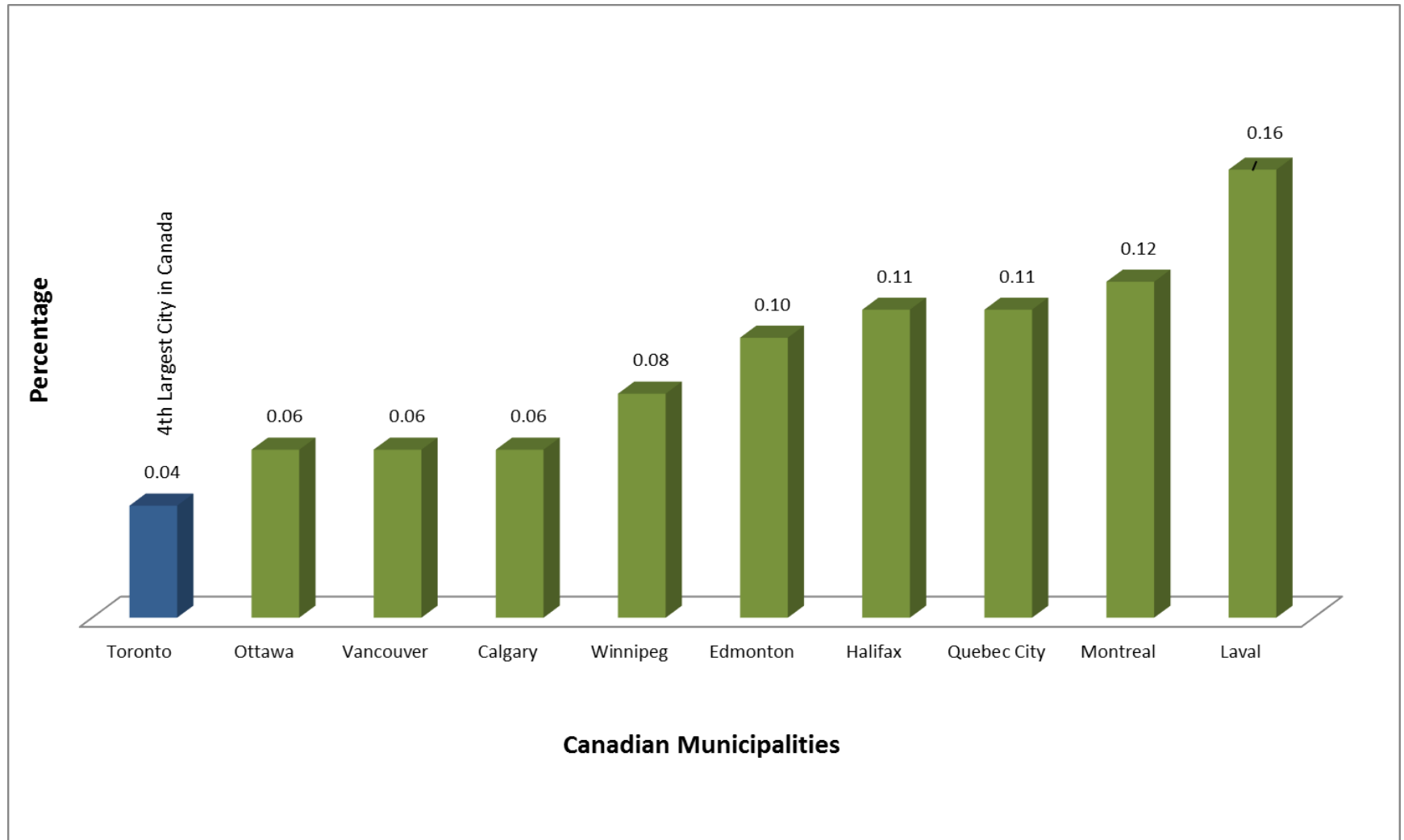
# City of Toronto Operating Budget 2007 to 2016

City of Toronto Operating Budget  
(in \$ Billions)



2007 to 2016 Increase 38%

# Audit Budget as a Percentage of Municipal Budget - 2016



# Recap

- Adding value
- 2017 Budget Request
  - ✓ AG's 2017 Operating Budget Request met City Council's budget reduction target of -2.6%