

**Re: AU7.5 and AU7.6**

**Presentation to the Audit Committee  
on November 19, 2020  
Agenda Items AU7.5/AU7.6**

**AUDITOR  
GENERAL**  

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**TORONTO**

# **Auditor General's 2021 Work Plan & 2021 Operating Budget**

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1. 2020 Highlights
2. 2021 Work Plan
3. 2021 Budget Overview and Highlights
  - A. Challenges & Priority Actions
  - B. Reduced Budget
  - C. Confirm Organizational Restructure

## 2020 Highlights



### Audits & Investigations

- **Cybersecurity**, winter maintenance, affordable ownership housing, health and dental benefits
- Return on investment: \$11.5 (2015 - 2019)
- Common themes and issues from prior reports

### City-wide Risk & Opportunities Assessment

- **Expanded mandate and emerging issues:** Police, Library, cybersecurity at major A&C's
- Roadmap for future audits / five-year work plan
- Over 50 City divisions and major A&C's assessed

### Modernization

- **Modernized** by introducing Fraud & Waste Hotline, electronic audit working paper, and recommendation follow-up systems to keep delivering value as the City moved rapidly to a remote working environment



## Current and Upcoming (2021)

### City Divisions

- Transportation Services - **Winter Maintenance** (Phase 2)
- Information Technology - **Cyber Security** of Emergency Response Communication System
- Shelter, Support and Housing Administration - **Emergency Shelter** Operations
- **Toronto Building** – Operational Review

### Agencies and Corporations

- Toronto **Police** Service – **Cyber Security**
- Toronto **Police** Service – **911** operational review
- Toronto **Police** Service – **Policing Responsibilities and Service Areas** \*
- **TTC** - **Cyber Security** and Follow-up of outstanding recommendations
- Toronto Public **Library** – capital project procurement and management
- **TCHC** Property Management

## Audit Horizon (2021-2022)

### City Divisions

- Operational Review of **911** Emergency Response Service
- Parks, Forestry and Recreation - **Parks Development & Capital Projects** Branch
- Housing Secretariat - **Modular Housing** and **Affordable Rental Housing**
- **City Planning** - Operational Review
- Toronto **Fire** Services - Mechanical (**Fleet**) Maintenance
- Corporate Real Estate Management - **Facilities** Management
- Toronto Water and Engineering & Construction Services - **Basement Flooding** Protection Program

### Agencies and Corporations

- Toronto Public **Library** – **Cyber Security** and Digital Strategy
- Toronto **Police** Service – Operational Audits \*
- **TCHC** Contract Management
- **Governance** and Accountability Framework with A&C's

\* at the Board for approval

# 2021 Challenges and Priority Actions



## Challenges

1. Addressing an **expanded mandate** with reduced funding
2. Responding to **key priorities** and **emerging risk areas** in a timely manner
3. Reviewing and investigating a **higher volume** and backlog of **Fraud & Waste Hotline complaints**

## Priority Actions

1. Confirm **organizational restructure** – securing staff resources to support expanded mandate
2. **Agility** in delivering a range of projects – pivoting when needed to respond to emerging issues
3. **Cross-training** to build capacity – multi-disciplinary teams, leveraging technical resources when needed

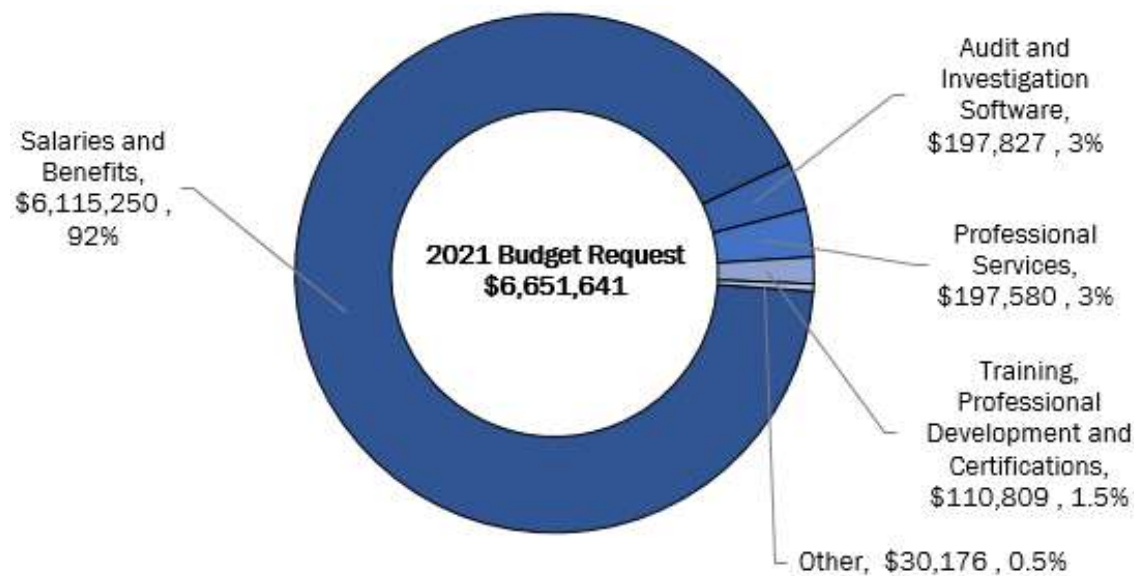
# Reduced Budget

2020 Council Approved Budget	2020 Projected Actuals*	2021 Auditor General Recommended Budget	% Change
\$7,375,800	\$7,375,800	<b>\$6,651,641</b>	-9.8%

\* based on Q3 2020 variance report

- **1/20<sup>th</sup> of one per cent** (.05%) of the City’s 2020 Approved Adjusted Operating Budget
- Expanded mandate with less budget
- Organization restructured to align resources with mandate – net zero budget impact

*(Eliminating administrative positions and converting five contract staff positions to permanent audit and forensic unit positions)*

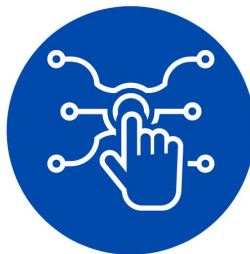




**Reduced budget: \$6.652M with an expanded mandate**



**Agile delivery to address emerging risks and key priorities with restructured staffing and modernized systems**



**Cross-training to build additional capacity and flexibility to continue to deliver value**

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