



STAFF REPORT INFORMATION ONLY

AUDITOR GENERAL'S AUDIT REPORTS – BENEFITS TO THE CITY OF TORONTO – ANNUAL UPDATE

Date:	January 28, 2008
To:	Audit Committee
From:	Jeff Griffiths, Auditor General
Wards:	All
Reference Number:	

SUMMARY

This report responds to a request from the Audit Committee to “provide the value added of his department ...by identifying:

- a. actual dollar savings to the City;
- b. potential savings to the City of Toronto;
- c. at risk dollars to the City of Toronto; and
- d. for non-identifiable dollar activities, the impact of the audit review on those items.”

At the request of the Audit Committee, attempts have been made to identify the extent of the quantifiable financial benefits which have resulted from the work conducted by the Auditor General's Office.

While certain reports have resulted in tangible cost savings, the more important benefits provided relate to the avoidance of future costs, as well as the protection of City assets. Nevertheless, tangible annual cost savings have occurred, or will occur, as a result of the work conducted by the Auditor General. Over the five year period commencing January 1, 2003 the estimated potential savings to the City are in the range of \$82 million compared to a cumulative audit expenditure of \$15 million. In simple terms, for every \$1 invested in the audit process the return on this investment has been \$5.50. Many of the estimated cost savings are ongoing and occur on an annual basis.

FINANCIAL IMPACT

There are no direct financial implications resulting from the adoption of this report.

DECISION HISTORY

At its meeting of November 23, 2004, the Audit Committee:

“requested the Auditor General to provide the value added of his department...by identifying:

- a. actual dollar savings to the City;
- b. potential savings to the City of Toronto;
- c. at risk dollars to the City of Toronto; and
- d. for non-identifiable dollar activities, the impact of the audit review on those items.”

COMMENTS

The Auditor General’s report entitled “Auditor General’s Audit Reports – Benefits to the City of Toronto – Annual Update” is attached as Appendix 1.

This report identifies estimated cumulative savings generated as a result of the audit work conducted from 2003 through 2007 projected forward over a five year period. In addition, highlights are presented from a selection of audit reports issued in 2007. As well as direct financial benefits, the report also highlights non-financial benefits such as stronger internal controls and operational efficiencies as a result of implementing recommendations from our audit reports.

CONTACT

Jerry Shaubel, Director, Auditor General’s Office

Tel: 416-392-8462, Fax: 416-392-3754, E-mail: jshaubel@toronto.ca

Steve Harris, Senior Investigator, Auditor General’s Office

Tel: 416-392-8460 Fax: 416-392-3754, E-mail: Sharris@toronto.ca

SIGNATURE

Jeffrey Griffiths, Auditor General

cg
08AAS07

ATTACHMENTS

Appendix 1: Auditor General’s Audit Reports – Benefits to the City of Toronto – Annual Update

