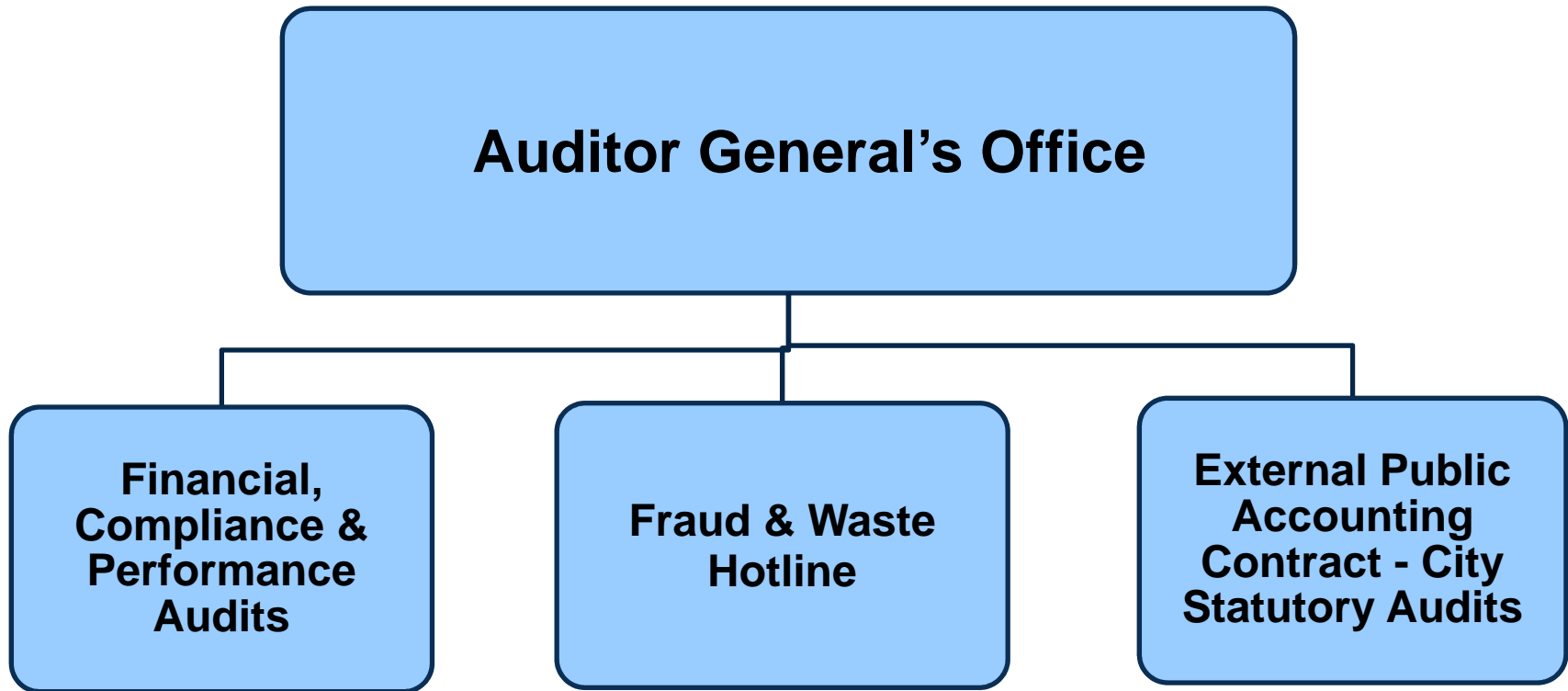


An aerial photograph of a park in Toronto. In the foreground, there is a green baseball field with a dirt infield and a pitcher's mound. A person is visible on the field. The park is surrounded by dense green trees. In the background, the Toronto skyline is visible under a clear blue sky, featuring several prominent skyscrapers.

CITY OF TORONTO
Auditor General's Office
2012 Operating Budget
Recommended by Audit Committee

December 2, 2011

Organizational Structure



“The Audit Committee recommends to the Budget Committee that the Auditor General’s Office budget for 2012 be maintained at the same level as the 2011 Auditor General’s Office budget.”

	2011 Council Approved Budget	2012 Audit Committee Recommended Budget	2012 AG Budget Request
Salaries and Benefits	3,838.1	3,814.0	3,718.9
Services, Materials and Supplies	104.9	106.8	106.8
Interdepartmental Charges	22.3	22.3	22.3
Sub Total	3,965.3	3,943.1	3,848.0
External Audit Fees	306.0	328.2	328.2
Total	4,271.3	4,271.3	4,176.2
2012 AG Budget Request Reduction of 2.2%			

Estimated Cost Savings/Revenue Increases – Reports Issued in 2011

• TCHC – Procurement	4,000,000
• TCHC – Employee Expenses	200,000
• Police Paid Duty	2,000,000
• Animal Licensing	1,300,000
• Parking Enforcement	2,800,000
• Red Light Cameras	2,500,000
• Overtime – Continuous Controls Monitoring	?
• Absenteeism – 311 Report	?
	<hr/>
	\$12,800,000
	<hr/>

Additional Savings Realized in 2011

“Employee Benefits Review” - 2007 Recommendation

“The Director, Pension, Payroll and Employee Benefits in consultation with senior management representatives, review and consider the cost effectiveness of expanding the current City of Toronto benefits umbrella to include other City of Toronto Agencies, Boards and Commissions.”

Benefits Pooled in 2011 – Two Bids – one pooled, one individual. Savings \$4.3 million

Benchmarking of Audit Costs

	2010 Municipal Budget (in \$000s)	2010 Audit Costs (in \$000s)	Audit Costs as a % of Municipal Budget
	\$	\$	%
Canadian Jurisdictions			
Ottawa	2,500,000	1,765	0.07
Toronto	9,214,000	5,557	0.06
Calgary	2,527,677	2,277	0.09
Halifax	731,000	660	0.09
Edmonton	1,900,000	2,043	0.11
Montreal	3,985,381	4,686	0.12
Quebec City	1,127,500	1,400	0.12
U.S. Jurisdictions			
Chicago	5,887,521	5,442	0.09
Philadelphia	7,353,010	7,425	0.10
Detroit	2,909,646	3,477	0.12
San Francisco	6,586,788	12,396	0.19
San Jose	954,095	2,128	0.22
Phoenix	976,332	2,679	0.27

Pre-Determined Budget Model

Quebec legislation requires audit budgets be set at a percentage of municipal budgets. Applying Quebec model to the City of Toronto:

City Budget	<u>\$9.2 Billion</u>
0.11 per cent	\$10.0 Million
Total Audit Costs	<u>\$5.6 Million</u> (all audit functions)
Difference	<u>\$ 4.4 Million</u>

Other Statistics

Total Staff	<u>26</u>
Audit Staff	22
Forensic Unit/Fraud and Waste Hotline Staff	<u>4</u>
Total Staff	<u>26</u>

- Audit Staff – One audit staff for every \$425m of expenditure
- Forensic Unit – Complaints to the Fraud and Waste Hotline have increased by 50% in 2011