

An aerial photograph of Toronto, Ontario, Canada. The foreground shows a large green park with a baseball field and a soccer field. The middle ground is filled with dense green trees. In the background, the Toronto skyline is visible, including the CN Tower and several other skyscrapers. The sky is clear and blue.

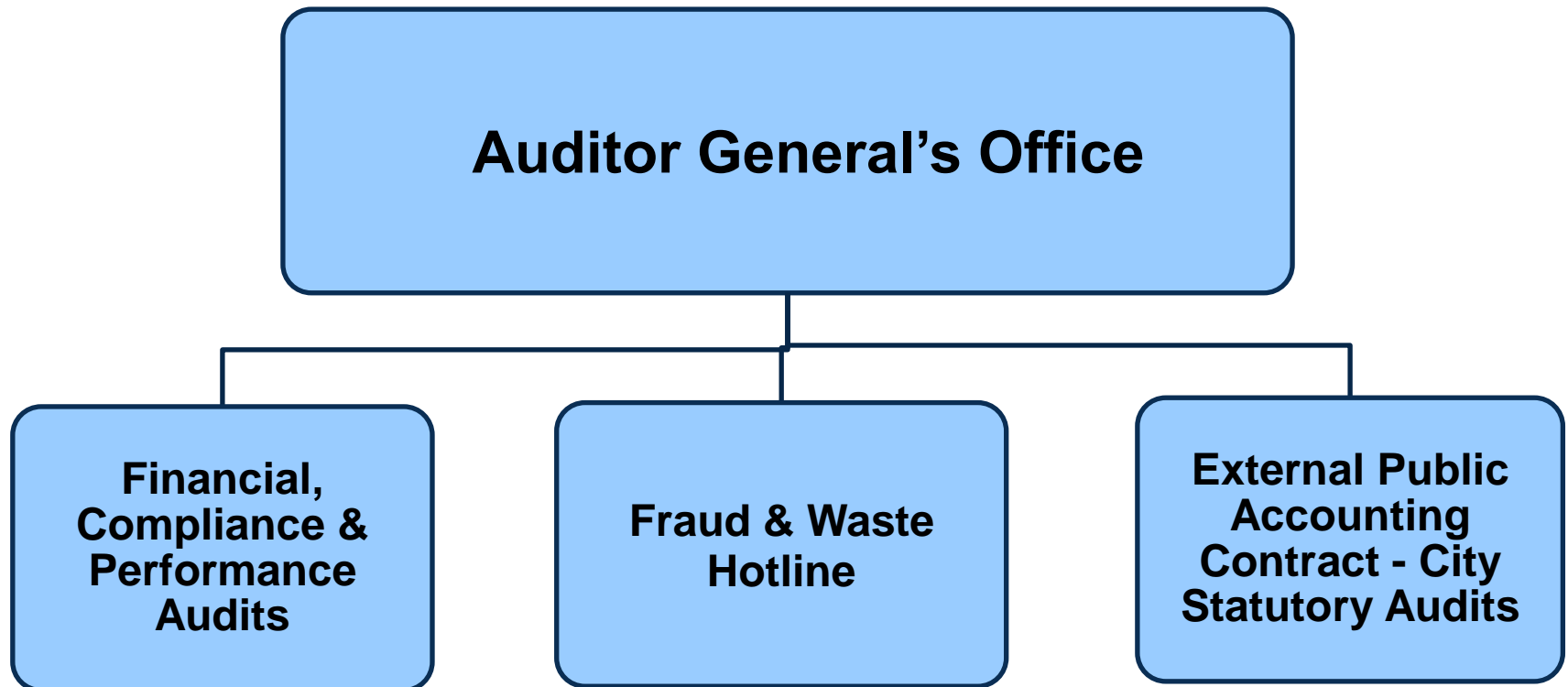
CITY OF TORONTO

Auditor General's Office

2013 Recommended Operating Budget

December 6, 2012

Program Map



Summary of Budget Request

	2012 Council Approved Budget	2013 Budget Request	2013 Audit Committee Recommended Budget
Salaries and Benefits	4,232.1	4,232.1	4,232.1
Gapping	(335.0)	(335.0)	(335.0)
Services, Materials and Supplies	106.8	108.9	108.9
Interdepartmental Charges	22.3	22.3	22.3
Sub Total	4,026.20	4,028.3	4,028.3
External Audit Fees	328.2	349.9	0.0
Total	4,354.4	4,378.2	4,028.3

Summary of Budget Request

Requested 2013 Budget \$4,378,200

External Audit Fees \$ 349,900
(Audit Committee Recommended Adjustment)

Auditor General's Office \$4,028,300

Request represents a 0.6% increase from the 2012 approved operating budget.

Examples of Annual Cost Savings

- Outlined on Appendix 3 in the Report
- Annual savings from some recent reports
 - TCHC \$10,000,000
 - Employee Benefits Review \$10,800,000
 - Continuous Controls Monitoring \$ 4,500,000
 - Parking Enforcement Review \$ 2,890,000

Benchmarking of Audit Costs

	2012 Municipal Budget (in \$000s)	2012 Audit Costs (in \$000s)	Audit Costs as a % of Municipal Budget
	\$	\$	%
Canadian Jurisdictions			
Vancouver	1,100,000	657	0.06
Ottawa	2,738,000	1,616	0.06
Toronto	10,200,000	7,004	0.07
Calgary	2,800,000	1,928	0.07
Halifax	788,000	793	0.10
Edmonton	1,880,000	2,093	0.11
Montreal	4,361,500	5,023	0.12
Quebec City	1,258,000	1,500	0.12
U.S. Jurisdictions			
Chicago	8,205,700	5,854	0.07
Philadelphia	7,338,388	7,556	0.10
Detroit	3,108,301	3,554	0.11
Phoenix	3,474,000	4,140	0.12
San Jose	2,317,725	2,969	0.13
San Francisco	6,828,705	12,126	0.18

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:

2012 City Budget	\$10.2 Billion
0.11 per cent	\$11 Million
Total 2012 Audit Costs	\$7 Million (all audit functions)
Shortfall	\$ 4 Million