Presentation to the Audit Committee
February 27, 2015

2014 Annual Report
Demonstrating the Value of the Auditor General’s Office

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Auditor General’s Responsibilities

COTA, s.178. (1) 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 achievement of value for money in City operations.
Toronto Municipal Code specifies the Auditor General’s responsibilities

Requires annual report on activities and savings achieved

This is the Auditor General’s 11th Annual Report
11 performance audit reports providing 110 recommendations

Coordinate and oversee external financial audits

Initiated a City-wide risk assessment

Annual recommendation follow-up - approximately 400 recommendations

687 complaints (1,300 allegations) to the Fraud and Waste Hotline

3 Continuous Controls Monitoring processes
The Many Benefits of Audits

While there is always a focus on dollar savings, other important benefits include:

- Improved internal controls
- Better governance
- Better customer services
- More effective operations
Return on Investment Based on Five-Year Costs and Savings

Estimated $11.8 savings for every dollar invested in the Office
Estimated Yearly Savings ($millions) 2010-2014

Employee Benefits and TCHC Audits
Savings Estimate

Savings from reports issued from 2010 to 2014

Savings projected for 5 years only

In many cases savings confirmed by management

Conservative savings estimate
2014 Quantifiable Financial Benefits

- Telecommunications Audit, 2014
- Forensic Unit Investigations, 2014
- Appraisal Services Unit, 2013
- TCHC subsidiaries oversight, 2012
- TCHC subsidiary HSI procurement, 2012
- TTC Wheel-Trans Services, 2012
- Police Paid Duty, 2011
- Insurance and Risk Management, 2010
Examples of 2014 Reports with Non-Quantifiable Benefits

- Toronto Building – Inspections
- TTC Bus Maintenance – Phase One
- Sony Centre Redevelopment
- Social Housing Program
2015 – The Road Ahead

2015 Audit Projects

Enhanced in-house training

Risk assessment

Peer review

Formal plans - strategic and annual operating