



**Presentation to the Audit Committee  
February 27, 2015**

**Operational Review of Build Toronto Inc.**

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# Presentation Outline

- Audit Request
- Audit Objective and Scope
- Summary of Findings
- Conclusion



# Audit Request

- In 2012, City Council requested the Auditor General to conduct a value for money audit on Build Toronto.
- Terms of Reference be in keeping with Build Toronto's
  - business model
  - hybrid nature



# Audit Objective and Scope

- To assess the effectiveness and efficiency of Build Toronto's operations in support of its mandate.
- This audit covered the period from:
  - Inception to December 2013 for real estate transactions
  - January 2012 – December 2013 for administrative practices



# Summary of Findings (1)

## Clarify mandate, objectives, and expected outcomes

- Focus on financial returns (dividend to the City) took precedence over all other aspects of the mandate ("city building")



## Summary of Findings (2)

### Enhance transparency of and accountability for real estate development plans and transactions

- Accountability for progress and profitability of the development of assets needs to be strengthened
- Monitoring of progress on all of BT's mandated objectives is needed
- Sufficient documentation was not retained making it difficult for our office to fully assess the processes used to maximize outcomes



## Summary of Findings (3)

### Improve operational and administrative practices

- The opportunity for cost savings and operational efficiencies through sharing of administrative functions with the City or its agencies and corporations
- Potential for improvement of procurement practices in support of open, transparent, equitable access to opportunities



# Set Build Toronto up for success

- The pace of transfers and turnovers of properties by the City has slowed considerably





# Conclusion

- City and Build Toronto management have agreed with all 25 recommendations
- Management action plans are appended to the report
- A follow-up review of the implementation of audit recommendations will take place in early 2016