

Presentation to the Audit Committee  
on March 24, 2017

# 2016 Annual Report

## Demonstrating the Value of the Auditor General's Office

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Auditor General's Office  
Integrity, Excellence and Innovation

# Importance of a Strong City Audit Function

*“Individual Councillors...must be able **to count upon** the work of an independent auditor in order **to fulfill their own oversight duties**”*

*“ Indeed, the Auditor General could be of great assistance to Council by bringing forward **high quality value-for-money reports** and studies of the broader and very **fundamental issues** that the City has to resolve.”*

*“The Auditor General could also exert influence on **management to improve their practices** and to keep their **focus on the important issues** they have to address.”*

2002 Report to the Mayor's Taskforce on the Establishment of an Independent Auditor General:  
Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto,  
by Denis Desautels, Auditor General for Canada, 1991- 2001

# Mandate of the Auditor General

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
- ▶ the **achievement of value for money** in city operations

s.178(1) COTA

# Auditor General's Annual Report

*Toronto Municipal Code* requires annual report on activities and savings achieved



This is the Auditor General's 13th Annual Report

# 2016 Major Activities & Accomplishments

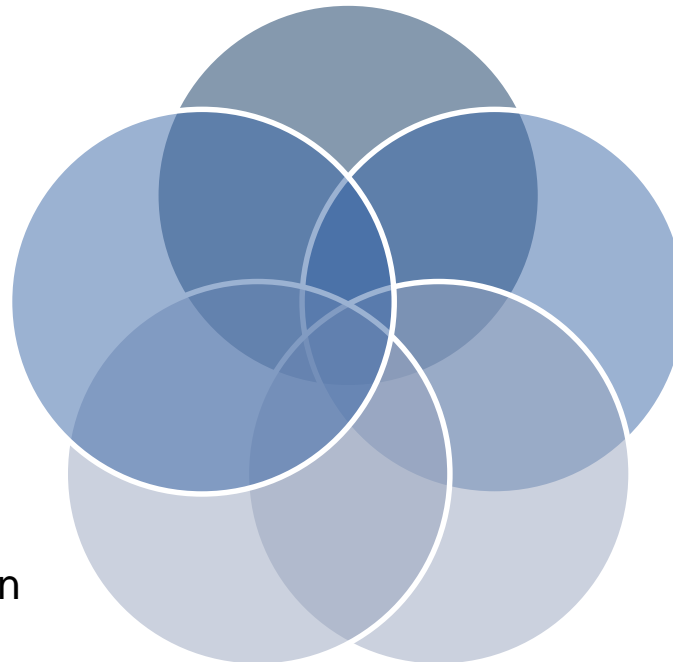
14 performance audit reports  
(135 recommendations), 5 CCM reports  
and millions saved

Coordinate and  
oversee external  
financial audits

552 complaints  
(900 allegations)  
to the Fraud and  
Waste Hotline

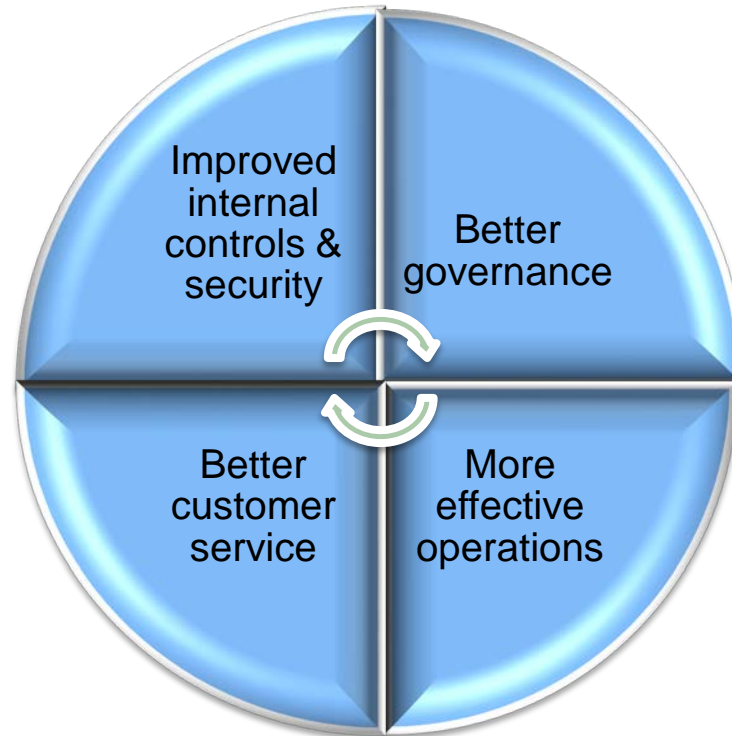
Re-engineered the  
annual recommendation  
follow-up process

Annual recommendation  
follow-up  
165 recommendations



# Many Benefits of Audits

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



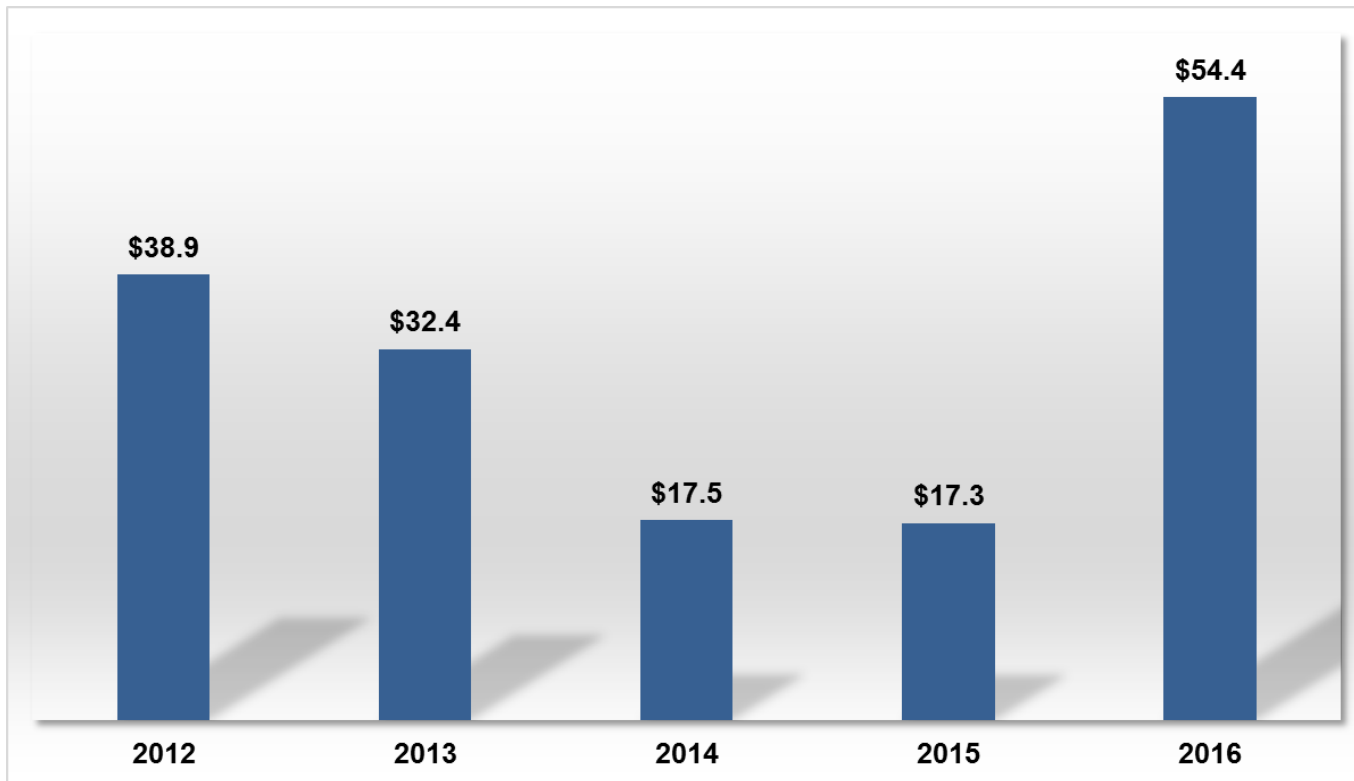
# Return on Investment Based on Five-Year Costs and Savings



\$1 = \$7.4 ROI

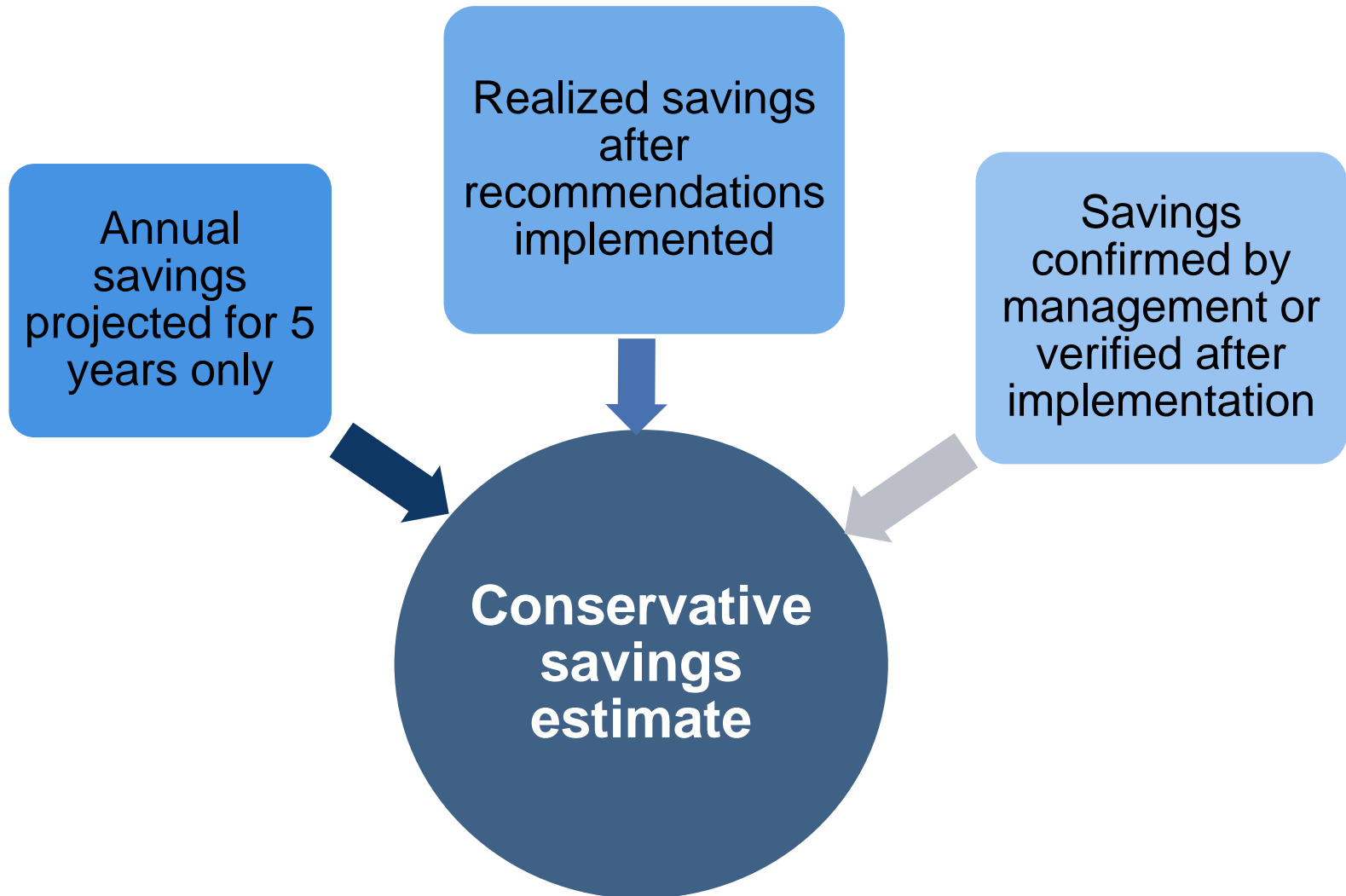
Estimated \$7.4 savings for every dollar invested in the Office

# Cumulative One-Time and Projected Five-Year Savings (\$millions) by Year, 2012-2016





# Savings Estimate



# 2016 Quantifiable Financial Benefits

Eight previously issued reports, including:

- Long-Term Disability Benefits Phase One Audit
- Toronto Police Service - Parking Enforcement Review

Four 2016 reports, including:

- Long-Term Disability Benefits Phase Two Audit
- Audit of City Cleaning Services

One CCM report

- 2015 City Telecommunication Expenses

Forensic Unit Investigations

- Cost Recovery
- Loss Prevention

# Examples of 2016 Reports with Non-Quantifiable Benefits

Employee Health Benefits

Tendering of Paving Contracts

Incorrect Vacant Land Status – Property Tax

Information Technology Vulnerability Assessment and Penetration Testing

# 2017 - The Road Ahead



