

**Presentation to Budget Committee
December 20, 2016**

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Auditor General**

Auditor General's Office 2017 Operating Budget

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

Three Lines of Business

Performance audits of programs, operations & information technology.

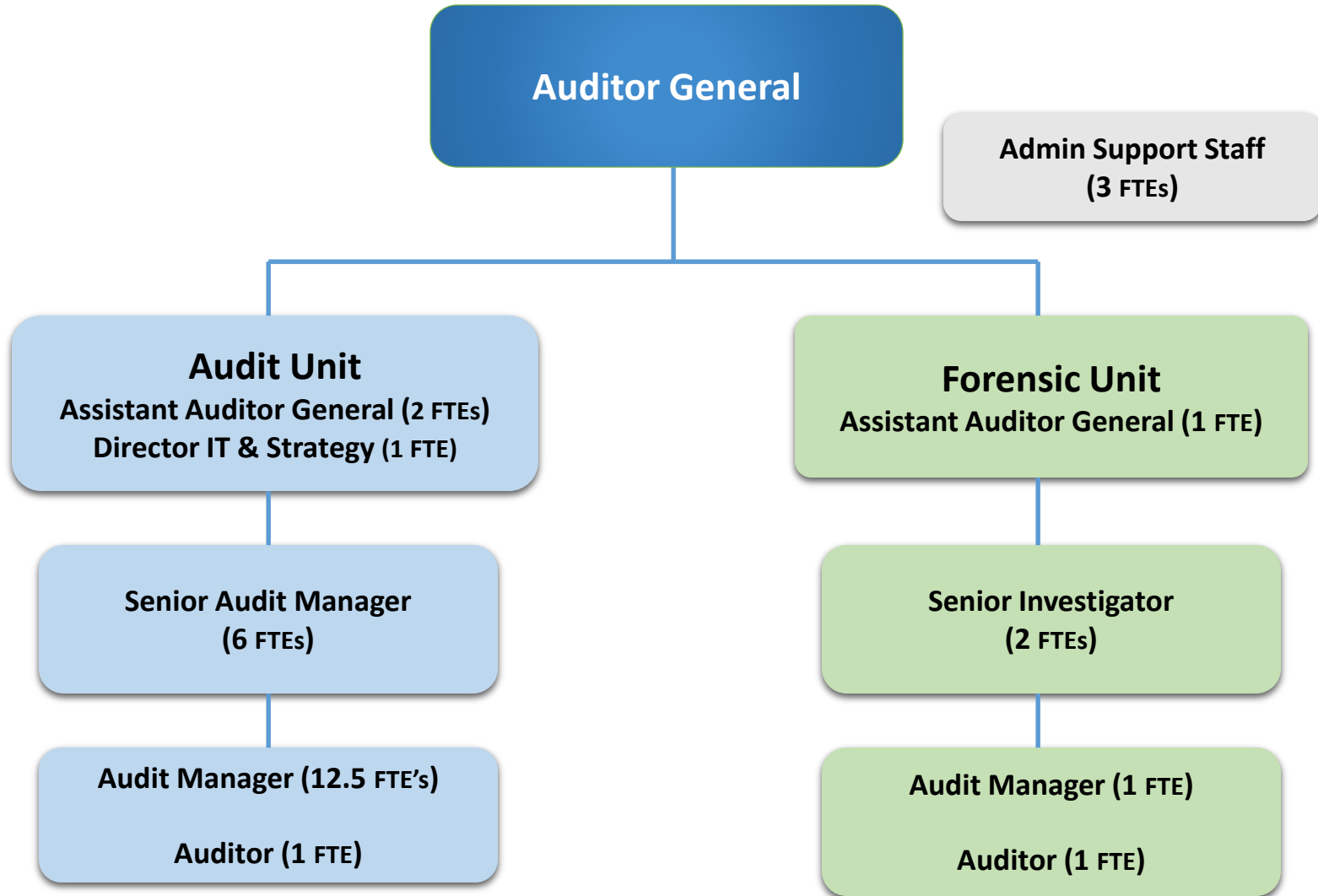
Audits of financial controls & compliance with regulations & policies.



External Financial Statement Audit
Contract Management

AG Office 2016 Organization Chart

31.5 FTEs



Key Messages

1. Results
2. City Council's 2017 Budget Target Reduction
3. Budget Request

Results: 2016 Reports

- **15 Audit Reports**

Examples include:

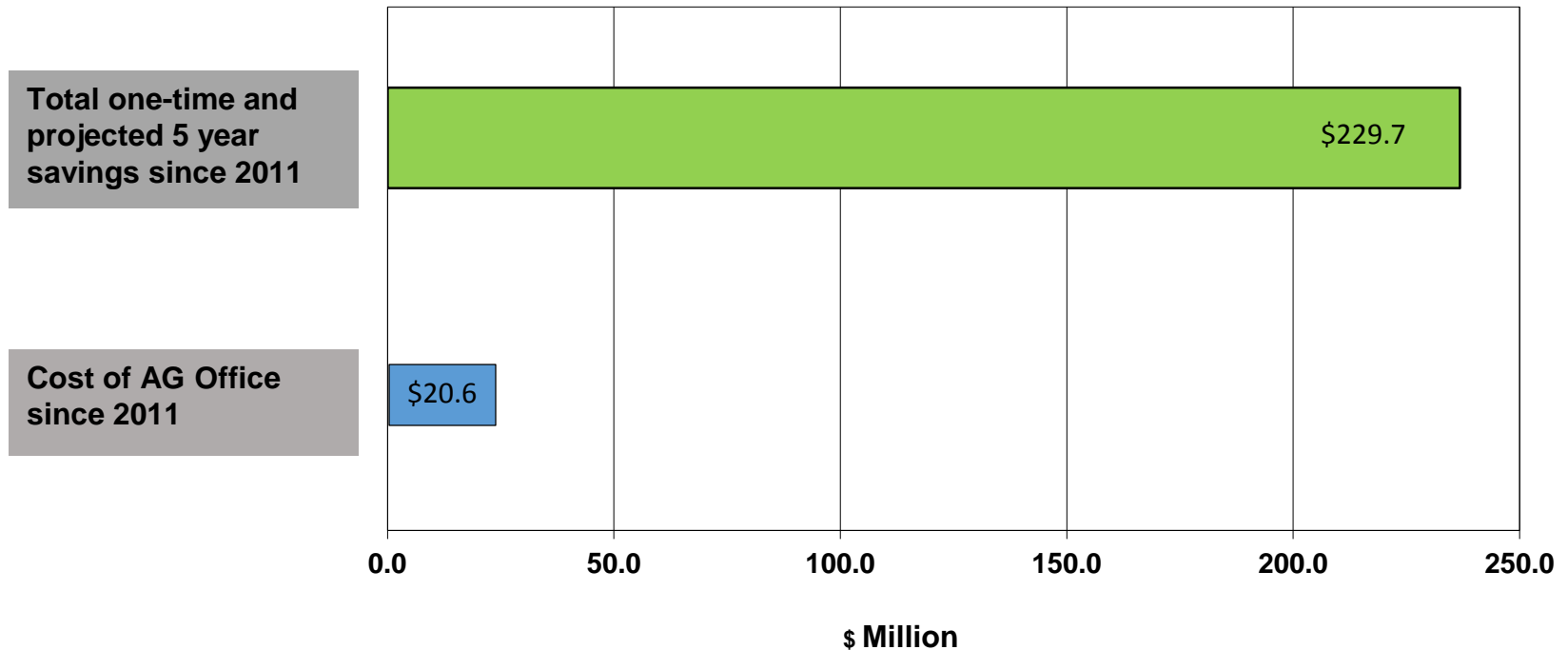
- Management of the City's Long-Term Disability Benefits, Phase Two: A Proactive and Holistic Approach to Managing Employee Health and Disability [**Management of City LTD Benefits**]
- Management of the **City's Employee Extended Health and Dental Benefits** Phase One
- Opportunities to Control Costs, Improve Productivity and Enhance Quality of Cleaning Services [**City Cleaning Services – In-house and Contracted Cleaning**]
- Improving the Tendering Process for Paving Contracts [**Paving Contract Procurement**]
- Vulnerability and Penetration Testing – Phase 1: External Penetration Testing [**City IT Network Vulnerability**]
- Overdue Water Account Collections Require Strengthening [**Water Billing and Collections**]
- Audit of the Revenue Operations of Off-Street Controlled Facilities [**TPA Revenue Operations**]

- **17 Other Reports**

Examples Include:

- Fraud & Waste Hotline
- Annual Work Plan
- Annual Recommendation Follow-up Reports
- AGO Benefits Report
- Continuous Controls Monitoring Reports

Return on Investment: 2011-2015



For every \$1 invested the return is \$11.20

Average \$46 million/year

AG's Annual Report – Demonstrating the Value of the Auditor General's Office

<http://www.toronto.ca/legdocs/mmis/2016/au/bg rd/backgroundfile-90685.pdf>

City Council 2017 Budget Reduction Target

- City Council on July 12, 13, 14 and 15, 2016 adopted the following:

*“City Council adopt an across the board budget reduction **target of -2.6 percent net below the 2016 Approved Net Operating Budgets** for all City Programs, Agencies, Toronto Community Housing Corporation, and Accountability Offices”*

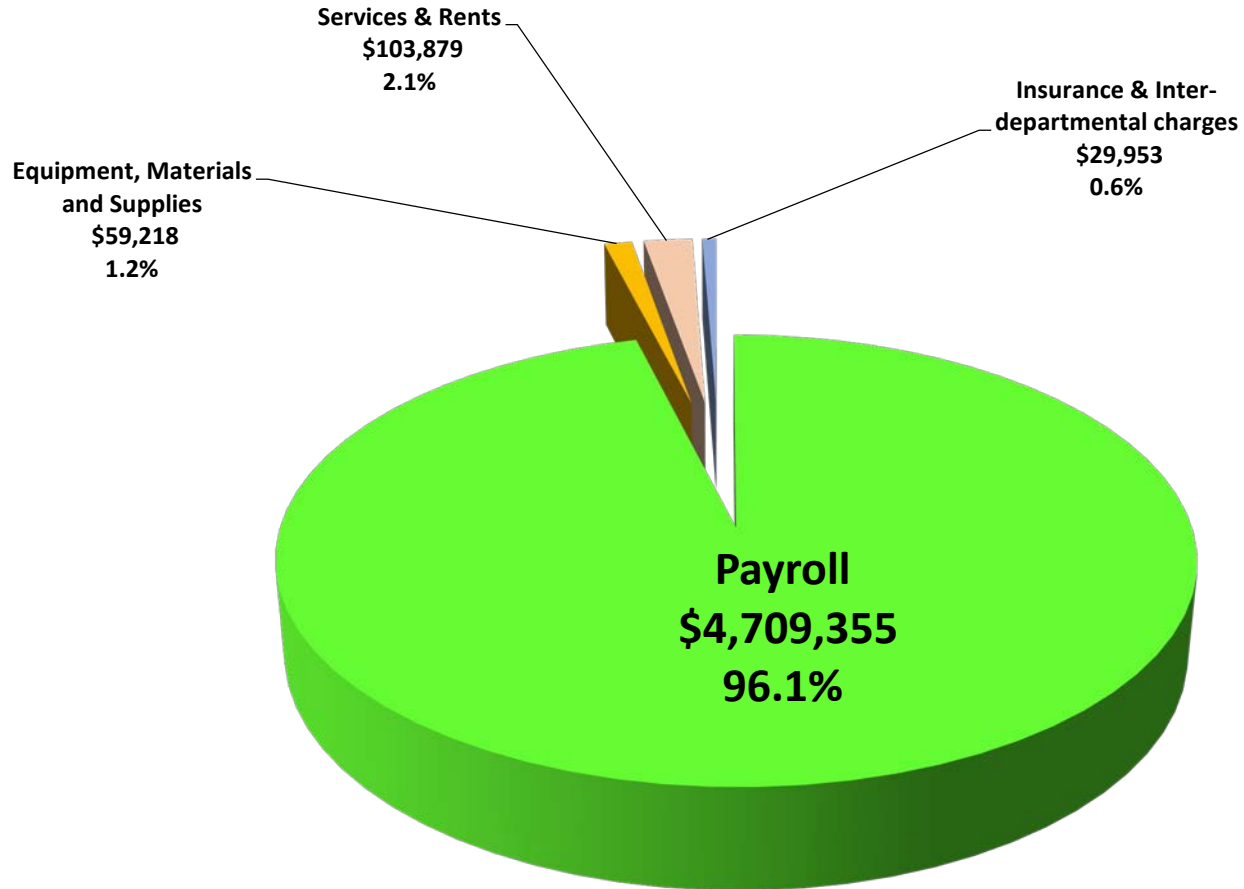
2017 Budget Summary

	Positions	Budget (in \$000)	% change
2016 Approved Budget	31.5	\$5,033.3	
Base Budget Changes		\$86.1	1.7%
2017 Base Budget	31.5	\$5,119.4	
Reorganization to achieve service efficiency and meet budget target	0.5	\$-217.0	-4.3%
2017 Budget Request	32.0	\$4,902.4	-2.6%

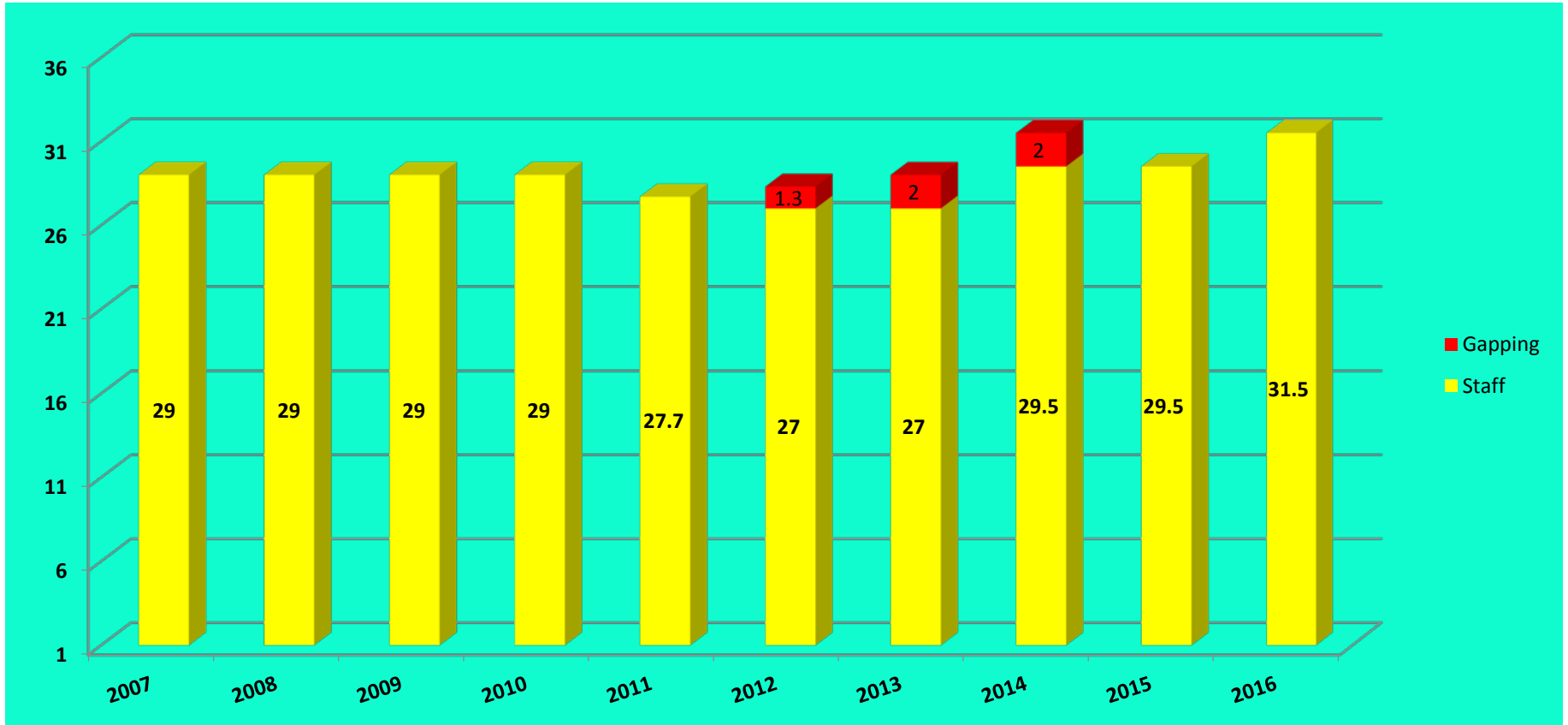
2017 Operating Budget Request

	2017 Budget Request (\$000)	2016 Approved Budget (\$000)	Difference 2017 over 2016 (\$000)	Percent (%) Change
Salaries	\$3,756.4	\$3,868.8	\$-112.4	-2.9
Benefits	\$952.9	\$974.3	\$-21.4	-2.2
Sub Total	\$4,709.3	\$4,843.2	\$-133.9	-2.8
Services, Materials and Supplies	\$170.8	\$167.8	\$3.0	1.8
Interdepartmental Charges	\$22.3	\$22.3	\$0.0	0.0
Sub Total	\$193.1	\$190.1	\$3.0	1.8
Total	\$4,902.4	\$5,033.3	\$-130.9	-2.6

2017 Budget Gross Expenditure By Category

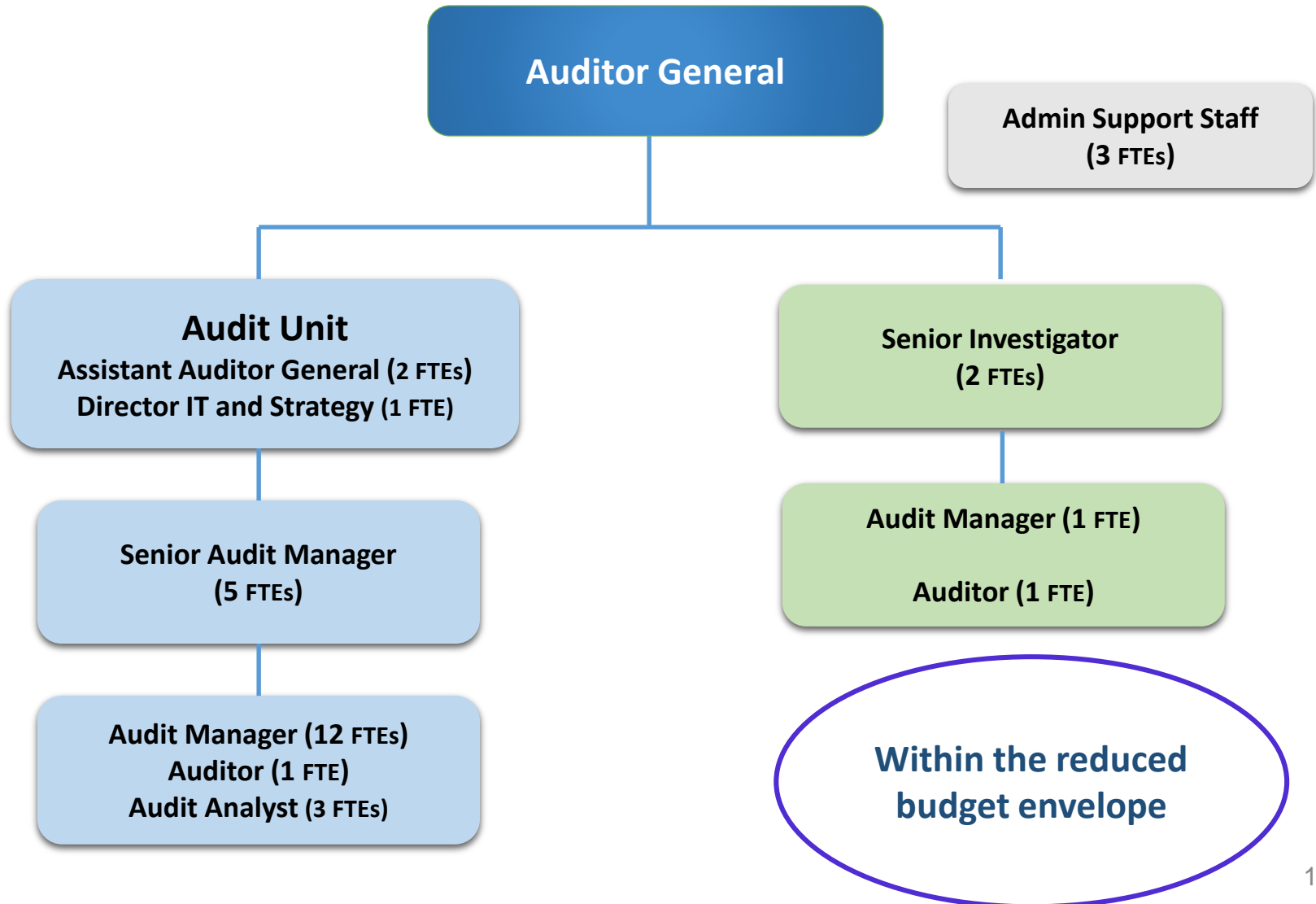


Approved Positions 2007 to 2016



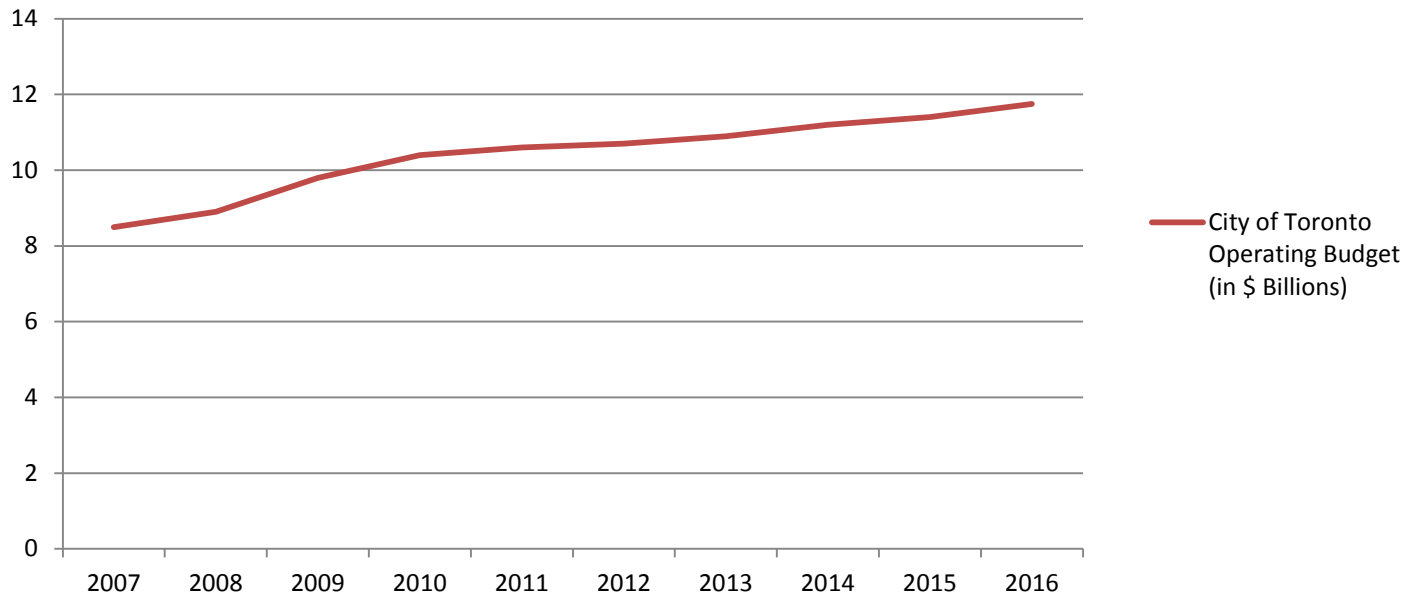
AG Office 2017 Organization Chart

32 FTEs



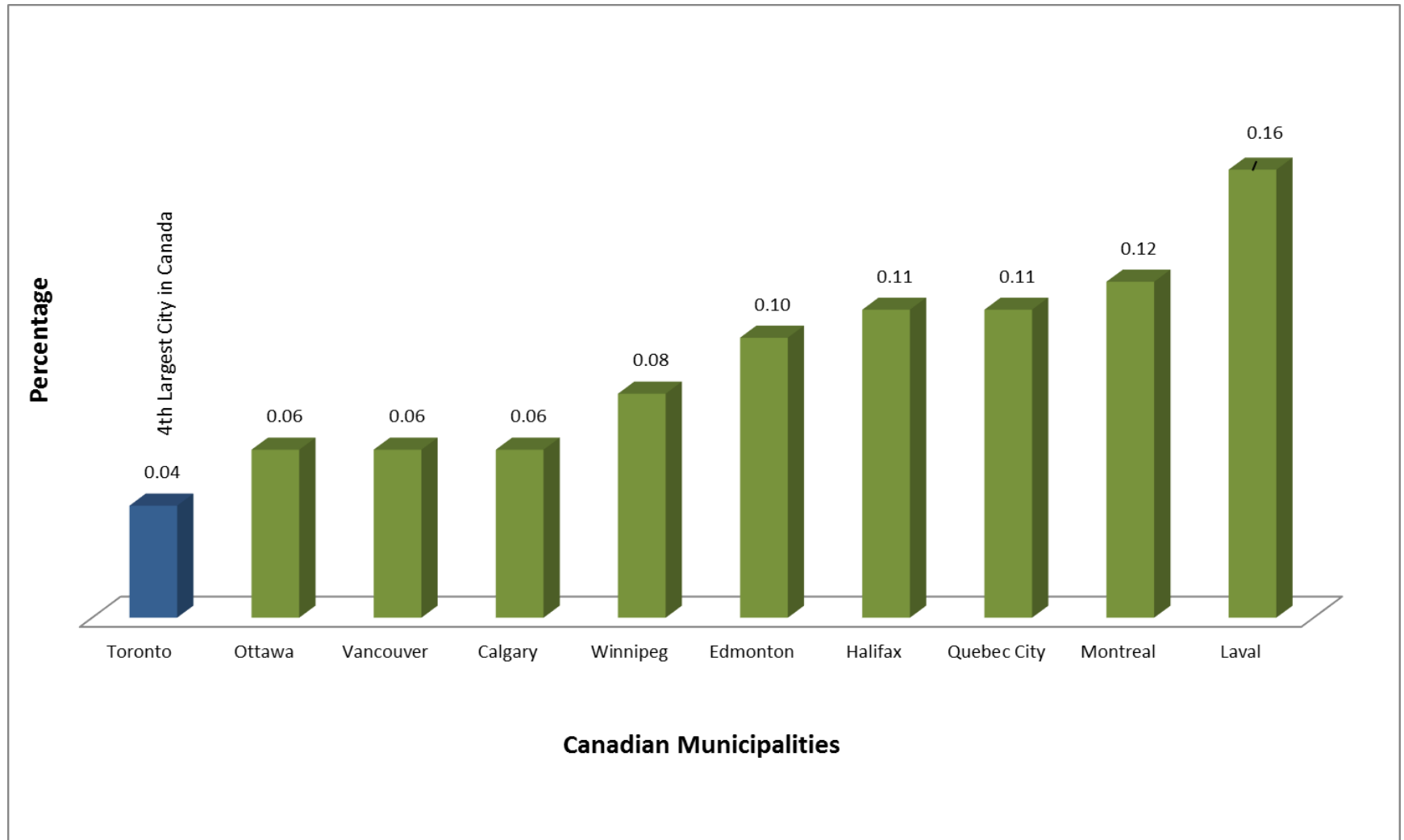
City of Toronto Operating Budget 2007 to 2016

City of Toronto Operating Budget
(in \$ Billions)



2007 to 2016 Increase 38%

Audit Budget as a Percentage of Municipal Budget - 2016



In Summary

The AG's Office

- continues to add value
- has met the 2017 budget reduction target of -2.6%
- as a result of reorganizing, will continue to deliver the same level of work