Auditor General’s
2020 Operating Budget &
2020 Work Plan

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1. 2019 Highlights

2. 2020 Budget Overview and Highlights
   A. Our Ask
   B. Our Challenges
   C. Our Priority Actions

3. 2020 Work Plan
2019 Highlights

- TTC Fare Evasion
- Social Housing Wait List
- Cybersecurity
- Electronic Billing
- Tree Maintenance
- Fleet: Asset Management
- Building: Conditional Permits

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- TTC Equipment
- Social Housing Revitalizations
- Fleet: Vehicle Downtime
- Contract Change Management
- Reprisal Investigation
- Social Housing Eligibility
- Fleet: Underutilized Vehicles

**15 Audits, Investigations and Other Reports**

**210+ Recommendations**

2020 Auditor General Recommended Operating Budget: $6,700,800

The Auditor General’s budget request:
• **1/20th of one per cent** (.05%) of the City’s 2019 Approved Adjusted Budget
• 0.9% higher than 2019:
  – standard progression pay increases
  – adjustments for economic factors
• supports the Auditor General providing the same level of capacity to undertake value for money audits and investigations as in 2019

Where the money goes:
Our Challenges for 2020 and Beyond

1. **Investigations of high-risk complaints:** A number of high-risk complaints are waiting to be addressed
   - For the City's size and complexity, the Forensic Unit is small
   - Delays are primarily due to resource constraints

2. **Responding to emerging risks:** In order to quickly respond, the Auditor General has needed to delay audits included in her Annual Work Plan
   - Information technology risks at the City and its agencies and corporations

3. **Supplementing teams with specialized skills and tools:** Experts with specialized skills and tools are sometimes needed and cost money
   - Information technology
   - Forensic investigations
Our Priority Actions

1. **Allow flexibility:** *within* the Auditor General’s approved budget, staffing, and work plan
   - leverage the use of experts and specialized tools
   - re-prioritize areas of work

2. **Consider temporary increases:** increasing the budget to 0.055% of City budget
   - to provide assurance that information technology risks are being addressed
   - to enable high-risk complaints to be addressed in a timely manner

3. **Consider a fixed percentage budget:**
   - City Council requested management to report on the feasibility of dedicating a percentage of the City's Budget to Accountability Offices
   - supports the Office’s independence
   - at 0.06% of the City’s Operating Budget, the Auditor General’s Office would continue to be lean relative to the size and complexity of the City
2020 Work Plan

1. Commencing new City-wide risk assessment process to identify audit priorities

2. Conducting performance (value-for-money) audits – listed on the next slide

3. Ongoing in-depth forensic investigations into allegations of fraud, wrongdoing, and reprisals against employees
# 2020 Work Plan

## Current and Upcoming (2020)

### City Divisions
- Transportation Services - Winter Maintenance
- Emergency Shelter Operations
- Parks, Forestry and Recreation - Community Recreation
- Affordable Housing
- Revenue Services - Administrative Penalty System
- Information Technology - Infrastructure Security
- Information Technology - Capital Projects
- City Revenue Streams

### Agencies and Corporations
- TTC Bus Transportation
- TCHC Contract Management
- TCHC Property Management
- Treasury, Investment and Cash management (City-wide)

## Audit Horizon (2020-2021)

### City Divisions
- Parks, Forestry and Recreation - Parks Branch
- City Planning - Operational Review
- Pension, Payroll and Employee Benefits - Illness or Injury Plan, Sick Pay Plan and Sick Occurrences
- Seniors Services and Long-Term Care - Operational Review
- Toronto Building - Operational Review
- Toronto Water and Engineering and Construction Services - Basement Flooding Protection Program

### Agencies and Corporations
- TTC - Transportation Phase 2
- Agencies and Corporations – IT Security
- Waterfront Toronto

### Other Significant Areas of Work
- Data analytics
- Investigations
Recap and Conclusion

Budget Request: $6.701M

0.05% of City Budget

92% of budget is salaries & benefits

Service Issue Challenges
1. Some high-risk Fraud & Waste Hotline complaints are waiting to be addressed
2. Certain audits in the Work Plan may be re-prioritized to be able to address emerging risks
3. Experts with specialized skills and tools are sometimes needed to supplement Auditor General’s staff

Key Priority Actions
1. Flexibility within approved budget and staffing
2. Temporarily increasing budget by an additional 0.005% of City Budget will help address IT risks and high-risk complaints
3. Over longer term, Council should consider setting our budget as a fixed percentage (0.06%) of City budget to support the Office’s independence