

# HL12.5 Attachment 1



## Committee Report Report Item

Considered by City Council on  
October 29, 2019  
October 30, 2019

### Audit Committee

AU4.9		Adopted		Ward: All
-------	--	---------	--	-----------

#### Auditor General's Office 2020 Work Plan

##### City Council Decision

City Council on October 29 and 30, 2019, adopted the following:

1. City Council receive the Auditor General's 2020 Work Plan, attached to the report (October 9, 2019) from the Auditor General.
2. City Council again request the Toronto Police Services Board and the Board of Health to invite the Auditor General to complete a risk assessment of operations in order to inform potential audit projects on future Work Plans; and further direct the Auditor General to report to the Audit Committee on the Boards' responses to this request.
3. City Council request the Auditor General to consider providing for a complete analysis of any contracts that have overrun their budget.

##### City Council Decision Advice and Other Information

During the review of the Order Paper on October 29, 2019, City Council adopted a procedural motion to remove this Item from the jurisdiction of the Audit Committee and bring it forward for consideration by City Council.

##### Committee Recommendations

The Audit Committee recommends that:

1. City Council receive the Auditor General's 2020 Work Plan, attached to the report (October 9, 2019) from the Auditor General.
2. City Council again request the Toronto Police Services Board and the Toronto Public Health Board to invite the Auditor General to complete a risk assessment of operations in order to inform potential audit projects on future Work Plans; and further direct the Auditor General to report to the Audit Committee on the Boards' responses to this request.
3. City Council request the Auditor General to consider providing for a complete analysis of any contracts that have overrun their budget.

##### Origin

(October 9, 2019) Report from the Auditor General

## Summary

The Auditor General's audits and investigations provide independent information for City Council to hold City administrators accountable for providing stewardship over public funds. The Auditor General's work helps to identify and mitigate risks the City faces, improve accountability, strengthen management controls, and enhance the efficiency and effectiveness of City operations.

The purpose of this report is to provide City Council with an overview of the work the Auditor General plans to conduct in 2020. The Auditor General may amend the annual Work Plan if new priorities arise.

Audit projects included in the annual Work Plan are identified through a risk assessment process conducted periodically by the Office, a review of emerging issues, and an analysis of trends in allegations made to the Fraud and Waste Hotline. The Auditor General also considers the views and experience of City Councillors and City management.

Flexibility within the Auditor General's Work Plan is needed to address emerging risk areas and high-risk complaints to the Fraud & Waste Hotline.

In order to appropriately respond to certain emerging risks, the Auditor General may need to re-prioritize or delay audits included in the Annual Work Plan. This is necessary in order to provide City Council with assurance that emerging risks are being adequately addressed in a timely manner. For example, there is an increasing prevalence of reported breaches of governmental systems across Canada and the United States. It is appropriate that the Auditor General respond by increasing her focus on cyber-security of City assets.

In addition, the Auditor General anticipates that the need for complex and in-depth forensic investigations will continue. This will require a significant commitment of resources, given the increasing complexity of complaints received by the Fraud and Waste Hotline. Currently, the Auditor General's Office has over eight active investigations underway and there are a number of other high-risk complaints that are waiting to be addressed.

In accordance with Chapter 3 of the Toronto Municipal Code, City Council may add to the annual audit plan by a two-thirds majority vote of all Council Members.

## Background Information (Committee)

(October 9, 2019) Report from the Auditor General - Auditor General's Office 2020 Work Plan (<http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-138873.pdf>)

Attachment 1: Reports Issued from 2017 to 2019

(<http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-138874.pdf>)

(October 25, 2019) Presentation Material submitted by the Auditor General

(<http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-139330.pdf>)

## Speakers

Derek Moran