

Auditor General's 2020 Annual Report - Demonstrating the Value of the Auditor General's Office

Date: February 2, 2021

To: Audit Committee

From: Auditor General

Wards: All

SUMMARY

This report provides information on the Auditor General's Office 2020 activities and financial and non-financial benefits achieved by the City through its implementation of report recommendations.

In 2020, the Auditor General's Office completed 7 audit and investigative and several other reports. We managed the City's Fraud and Waste Hotline with a new complaint management system that allows staff and members of the public to better provide information online, while maintaining anonymity.

The Auditor General's Office calculates the return on every dollar invested in the Office by comparing the ratio of five-year audit costs to the cumulative estimated five-year realized savings. Since 2016, total one-time and projected five-year cost savings and revenue increases are approximately \$385.3 million. The cumulative costs of operating the Auditor General's Office since 2016 were approximately \$30.3 million. For every \$1 invested in the Auditor General's Office, the return on investment was approximately \$12.70.

The identification of cost savings and increased revenue is only one component of the Auditor General's mandate. Equally important is the ongoing evaluation of governance, risk management and internal controls, the impacts of which are not always easily quantified in financial terms.

RECOMMENDATIONS

The Auditor General recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

DECISION HISTORY

The *City of Toronto Act, 2006* (the Act), formalized the establishment of the Auditor General. Under the Act, 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 achievement of value for money in City operations. The Auditor General conducts value for money audits and forensic examinations to fulfill this mandate.

The Toronto Municipal Code requires that the Auditor General report annually to City Council on the activities of the Office, including the savings achieved. Accordingly, the Auditor General has consistently provided annual reports on the benefits of the work completed by the Office.

COMMENTS

The Auditor General's report entitled "Auditor General's 2020 Annual Report – Demonstrating the Value of the Auditor General's Office" is attached as Attachment 1.

The report includes an overview of major activities conducted by the Auditor General's Office in 2020, and the financial and non-financial benefits resulting from implementation of recommendations and operation of the Fraud and Waste Hotline.

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SIGNATURE

Beverly Romeo-Beehler
Auditor General

ATTACHMENTS

Attachment 1: Auditor General's 2020 Annual Report – Demonstrating the Value of the Auditor General's Office