

BU22.2d

**Presentation to the Audit Committee
on November 19, 2020
Agenda Items AU7.5/AU7.6**

**AUDITOR
GENERAL**

TORONTO

Auditor General's 2021 Work Plan & 2021 Operating Budget

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1. 2020 Highlights
2. 2021 Work Plan
3. 2021 Budget Overview and Highlights
 - A. Challenges & Priority Actions
 - B. Reduced Budget
 - C. Confirm Organizational Restructure

2020 Highlights



Audits & Investigations

- **Cybersecurity**, winter maintenance, affordable ownership housing, health and dental benefits
- Return on investment: \$11.5 (2015 - 2019)
- Common themes and issues from prior reports

City-wide Risk & Opportunities Assessment

- **Expanded mandate and emerging issues:** Police, Library, cybersecurity at major A&C's
- Roadmap for future audits / five-year work plan
- Over 50 City divisions and major A&C's assessed

Modernization

- **Modernized** by introducing Fraud & Waste Hotline, electronic audit working paper, and recommendation follow-up systems to keep delivering value as the City moved rapidly to a remote working environment



Current and Upcoming (2021)

City Divisions

- Transportation Services - **Winter Maintenance** (Phase 2)
- Information Technology - **Cyber Security** of Emergency Response Communication System
- Shelter, Support and Housing Administration - **Emergency Shelter** Operations
- **Toronto Building** – Operational Review

Agencies and Corporations

- Toronto **Police** Service – **Cyber Security**
- Toronto **Police** Service – **911** operational review
- Toronto **Police** Service – **Policing Responsibilities and Service Areas** *
- **TTC** - **Cyber Security** and Follow-up of outstanding recommendations
- Toronto Public **Library** – capital project procurement and management
- **TCHC** Property Management

Audit Horizon (2021-2022)

City Divisions

- Operational Review of **911** Emergency Response Service
- Parks, Forestry and Recreation - **Parks Development & Capital Projects** Branch
- Housing Secretariat - **Modular Housing** and **Affordable Rental Housing**
- **City Planning** - Operational Review
- Toronto **Fire** Services - Mechanical (**Fleet**) Maintenance
- Corporate Real Estate Management - **Facilities** Management
- Toronto Water and Engineering & Construction Services - **Basement Flooding** Protection Program

Agencies and Corporations

- Toronto Public **Library** – **Cyber Security** and Digital Strategy
- Toronto **Police** Service – Operational Audits *
- **TCHC** Contract Management
- **Governance** and Accountability Framework with A&C's

* at the Board for approval

2021 Challenges and Priority Actions



Challenges

1. Addressing an **expanded mandate** with reduced funding
2. Responding to **key priorities** and **emerging risk areas** in a timely manner
3. Reviewing and investigating a **higher volume** and backlog of **Fraud & Waste Hotline complaints**

Priority Actions

1. Confirm **organizational restructure** – securing staff resources to support expanded mandate
2. **Agility** in delivering a range of projects – pivoting when needed to respond to emerging issues
3. **Cross-training** to build capacity – multi-disciplinary teams, leveraging technical resources when needed

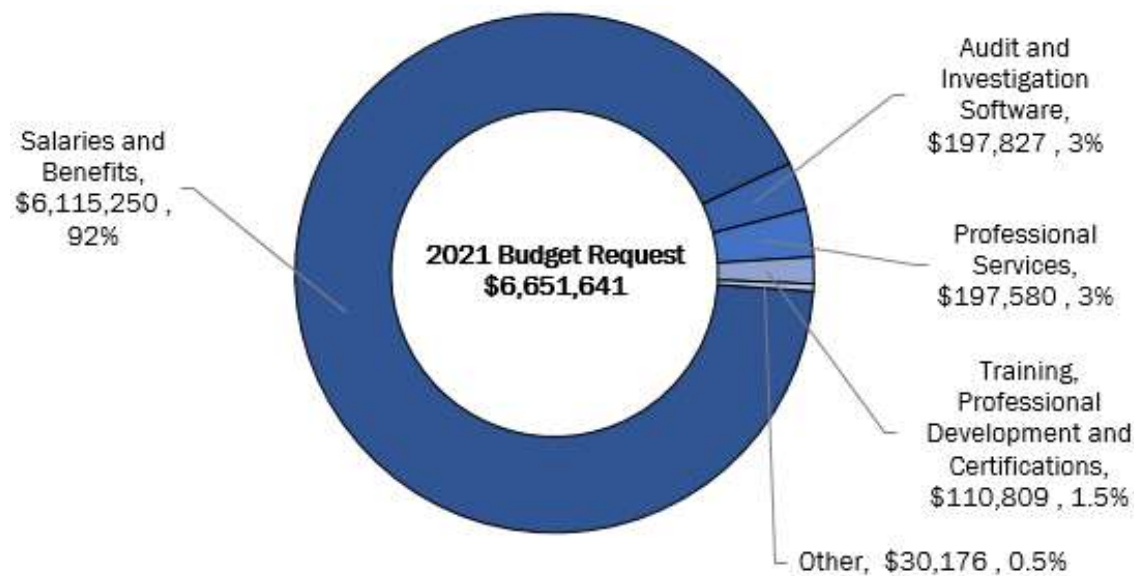
Reduced Budget

2020 Council Approved Budget	2020 Projected Actuals*	2021 Auditor General Recommended Budget	% Change
\$7,375,800	\$7,375,800	\$6,651,641	-9.8%

* based on Q3 2020 variance report

- **1/20th of one per cent** (.05%) of the City’s 2020 Approved Adjusted Operating Budget
- Expanded mandate with less budget
- Organization restructured to align resources with mandate – net zero budget impact

(Eliminating administrative positions and converting five contract staff positions to permanent audit and forensic unit positions)

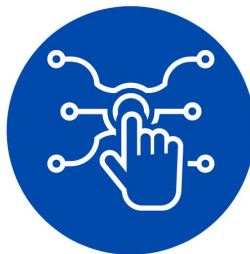




Reduced budget: \$6.652M with an expanded mandate



Agile delivery to address emerging risks and key priorities with restructured staffing and modernized systems



Cross-training to build additional capacity and flexibility to continue to deliver value

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