

## Audit Committee

<b>Meeting No.</b>	10	<b>Contact</b>	Julie Lavertu, Committee Administrator
<b>Meeting Date</b>	Tuesday, November 2, 2021	<b>Phone</b>	416-397-4592
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	auditctte@toronto.ca
<b>Location</b>	Video Conference	<b>Chair</b>	Councillor Stephen Holyday

AU10.2	ACTION	Adopted		Ward: All
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### Auditor General's Office 2022 Operating Budget

#### Committee Decision

The Audit Committee recommends to the Budget Committee that:

1. City Council approve the 2022 Operating Budget for the Auditor General's Office in the amount of \$7.658 million gross and net, as outlined in Attachment 1 to the report (October 19, 2021) from the Auditor General.
2. City Council approve the 2022 staff complement for the Auditor General's Office of 44.0 positions, as outlined in Attachment 1 to the report (October 19, 2021) from the Auditor General.

#### Decision Advice and Other Information

The Audit Committee considered Items AU10.2 and AU10.3 together.

The Auditor General gave a presentation on Auditor General's 2022 Operating Budget and 2022 Work Plan.

The Audit Committee:

1. Directed that the report (October 19, 2021) from the Auditor General be forwarded to the Budget Committee for consideration during the 2022 Budget process.

#### Origin

(October 19, 2021) Report from the Auditor General

## Summary

At its meeting on November 2, 2021, the Audit Committee considered [Item AU10.2](#) and made recommendations to the Budget Committee.

### Summary from the report (October 19, 2021) from the Auditor General

The attached report provides information supporting the Auditor General's 2022 Operating Budget request of \$7.658 million. This includes \$675,000 to restore the Auditor General's budget to pre-pandemic (2020) levels and an additional \$325,000 in temporary funding for a pandemic related audit requested by City Management. The Auditor General's budget request reflects funding needed to help address some of the following:

- responding to an expanded mandate and inflow of requests for audits;
- providing valuable independent oversight of critical systems to ensure the City is well-positioned to detect, mitigate, and respond to IT and cybersecurity risks;
- conducting investigations on serious, time-sensitive issues; and
- undertaking the City-wide COVID-19 Continuous Improvement Audit.

In light of funding issues brought on by the pandemic, the Auditor General worked on delivering a larger mandate within a reduced 2021 budget. While she and her dedicated staff accomplished important work on this expanded mandate in 2021, some of that work carries on and more issues are being identified, so support is needed to meet critical emerging issues, in addition to working on projects in this expanded mandate. The Auditor General is requesting a return to her 2020 budget level by adding back \$675,000 to her budget.

The Auditor General is also considering an audit that stems from a special request from the City Manager, the Fire Chief and General Manager of Emergency Management and COVID-19 Incident Commander, and the Medical Officer of Health. They have requested an audit of how the City performed during the pandemic, with a goal of also identifying how to be better prepared in the future. Should City Council support this request, the Auditor General would need additional temporary funding of \$325,000 to conduct this work. This amount is already included in the Auditor General's 2022 budget request.

The Auditor General's Office provides City Council with an independent assessment of the safeguarding of public funds and whether the City is achieving value for money in operations by conducting performance, cybersecurity, financial, operational and compliance audits and reviews, and forensic investigations of City divisions and certain City agencies and corporations. As reported in her past Annual Reports, the Auditor General continues to demonstrate her value to City Council through the net positive return on quantifiable and non-quantifiable benefits to the City.

The Auditor General's 2022 Work Plan is being presented to the Audit Committee at the same meeting as her 2022 Operating Budget. The 2022 budget request supports 11 in-progress and ongoing projects that will be completed in 2022, and five new projects to commence in late 2021 or 2022. City Council's support to restore the Auditor General's budget to pre-pandemic (2020) levels and provide additional temporary funding for an audit of the City's COVID-19

response, helps to address the 2022 Work Plan, including the requested audit of the City's COVID-19 response, as well as commence projects in the following areas:

- cybersecurity assessment of a critical system – possibly the 911 system;
- Information Technology - Enterprise Work Management System; and
- additional investigations related to allegations of fraud or other wrongdoing.

### **Background Information**

(October 19, 2021) Report from the Auditor General on Auditor General's Office 2022 Operating Budget

<https://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-172212.pdf>

(October 19, 2021) Attachment 1 - Auditor General's Office 2022 Operating Budget

<https://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-172213.pdf>

(November 2, 2021) Presentation from the Auditor General on Auditor General's 2022 Operating Budget and 2022 Work Plan

<https://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-172618.pdf>

### **Speakers**

Councillor Paul Ainslie