

Auditor General's Office 2023 Operating Budget

Date: January 27, 2023

To: Audit Committee

From: Auditor General

Wards: All

SUMMARY

The attached report provides Audit Committee with information on the Auditor General's 2023 Operating Budget request of \$7.350 million, which is consistent with the Auditor General's 2022 Operating Budget. The Auditor General's 2023 Operating Budget represents approximately 0.045% of the City's 2023 Proposed Operating Budget.

The Auditor General's budget request reflects resources needed to address her 2023 Work Plan. More specifically, the Auditor General will continue to carry out her mandate by:

- delivering high-priority audit projects on the Auditor General's Work Plan that yield both quantifiable and non-quantifiable benefits to how the City delivers its services
- 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 high-risk investigations that help address and deter fraud, waste, and wrongdoing in the City.

This report is being provided to Audit Committee for information as it considers the Auditor General's 2023 Work Plan at the February 13, 2023 Audit Committee meeting.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Audit Committee receive this report for information.

FINANCIAL IMPACT

The Auditor General's 2023 Operating Budget request is \$7.350 million (net), which represents a decrease of \$0.308 million (4.0 per cent) from the 2022 Council-approved Budget of \$7.658 million (net). The decrease results from the reversal of \$0.325 million in unspent temporary funding in 2023 and anticipated one-time staff vacancy savings of \$0.270 million in Q1 2023 resulting from permanent positions that remain unfilled at the end of 2022 due to the challenges and delays in hiring new staff which reflects the current market situation. With active competitions underway, it is anticipated that the Auditor General's Office will be able to return to full staff complement by the end of Q1 2023.

DECISION HISTORY

In previous years, the Auditor General submitted her budget to Audit Committee for consideration in accordance with subsection 3-3.7 of the Toronto Municipal Code which states "*The Auditor General shall submit his or her annual budget request to the Audit Committee for consideration and recommendation to Council.*"

In accordance with the new requirements of *Bill 3, Strong Mayors, Building Homes Act, 2022* and Mayoral Decision 1-2022, the Audit Committee's responsibilities no longer includes recommendation of the Auditor General's budget to Council.

COMMENTS

As provided for by the *City of Toronto Act, 2006* and Chapter 3 of the *Toronto Municipal Code*, the Auditor General is independent of City Council and City administration. The 2023 budget request for the Auditor General's Office was therefore presented directly to Budget Committee for consideration. (Reference: *City of Toronto Act, 2006*), s. 177(2), s. 178(1); Chapter 3 of the *Toronto Municipal Code*, ss. 3-1.9; Budget Protocol for Accountability Officers.)

The attached report provides information to the Audit Committee that is consistent with and supplementary to the Budget Note provided to members of Council through Budget Committee on January 10, 2023.

This report is being provided to Audit Committee for information as it considers the Auditor General's 2023 Work Plan.

CONTACT

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SIGNATURE

Tara Anderson
Auditor General

ATTACHMENTS

Attachment 1: Auditor General's Office 2023 Operating Budget