

## **Auditor General's 2022 Annual Report - Demonstrating the Value of the Auditor General's Office**

**Date:** January 29, 2023

**To:** Audit Committee

**From:** Auditor General

**Wards:** All

### **SUMMARY**

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This report provides information about the Auditor General's Office 2022 activities and the financial and non-financial benefits achieved by the City through its implementation of report recommendations.

In 2022, the Auditor General's Office presented nine audit, investigation, cybersecurity and other reports. The findings and recommendations in these reports focused on improving the efficiency and effectiveness of responses to calls for emergency services, addressing housing priorities and improving outcomes for people experiencing homelessness, and identifying and protecting the City and its Agencies and Corporations from cybersecurity threats. Additionally, our Forensic Unit managed 1,032 complaints through our Fraud and Waste Hotline, and conducted some complex investigations.

Every year, we demonstrate the value our Office brings with a quantified return on investment. 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. The City achieved savings of \$398 million over the last five years by implementing the Auditor General's recommendations. The cumulative costs of operating the Auditor General's Office since 2018 were approximately \$31.8 million. This means for every dollar invested in the Auditor General's Office, there was a return of about \$12.52.

Equally important is the value that our reports bring through the non-quantifiable benefits, including enhanced cybersecurity and internal controls, robust data analytics, improved policies and procedures, more effective management and use of City resources, better customer service, and stronger security of City assets. Our reports also help to improve the efficiency and effectiveness of programs, systems and processes, the impacts of which are not always easily quantified in financial terms. For example, our audit recommendations this year helped to strengthen the safety of the City's IT systems and critical infrastructure, identified opportunities for the Toronto

Police Service to support more effective responses to calls for service, and helped to improve outcomes for emergency shelter clients through an increased focus on case management.

## **RECOMMENDATIONS**

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The Auditor General recommends that:

1. City Council receive this report for information.

## **FINANCIAL IMPACT**

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

## **DECISION HISTORY**

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The Auditor General's legislated responsibilities, powers and duties are established in Section 178 of the *City of Toronto Act, 2006 (the Act)*. Under Section 178(1) of 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 performance audits, investigations, cybersecurity assessments, and other work 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**

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The Auditor General's report entitled "Auditor General's 2022 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 2022, and the financial and non-financial benefits resulting from the implementation of recommendations and the operation of the Fraud and Waste Hotline.

## **CONTACT**

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## **SIGNATURE**

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Tara Anderson  
Auditor General

## **ATTACHMENTS**

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Attachment 1: Auditor General's 2022 Annual Report – Demonstrating the Value of the Auditor General's Office