

**Presentation to the Audit Committee  
on February 13, 2023  
Agenda Item AU1.1**

**AUDITOR  
GENERAL**  

---

**TORONTO**

# **Auditor General's 2022 Annual Report**

## **Demonstrating the Value of the Auditor General's Office**

**Tara Anderson, CPA, CA, CIA, BAcc**  
Auditor General

# AUDITOR GENERAL TORONTO

## Presentation Overview

- A. 2022 Highlights
- B. Key Performance Indicators
  - 1. Add Value to the City
  - 2. Make a Positive Difference
  - 3. Show Leadership
- C. Recap and Final Remarks



# 2022 Highlights

9 Audit, Investigation, Cybersecurity and Other Reports

More than 95 Recommendations

\$12.52 For Every Dollar Invested



Improving Efficiency and Effectiveness of 9-1-1 Operations and Responses to Calls for Emergency Services



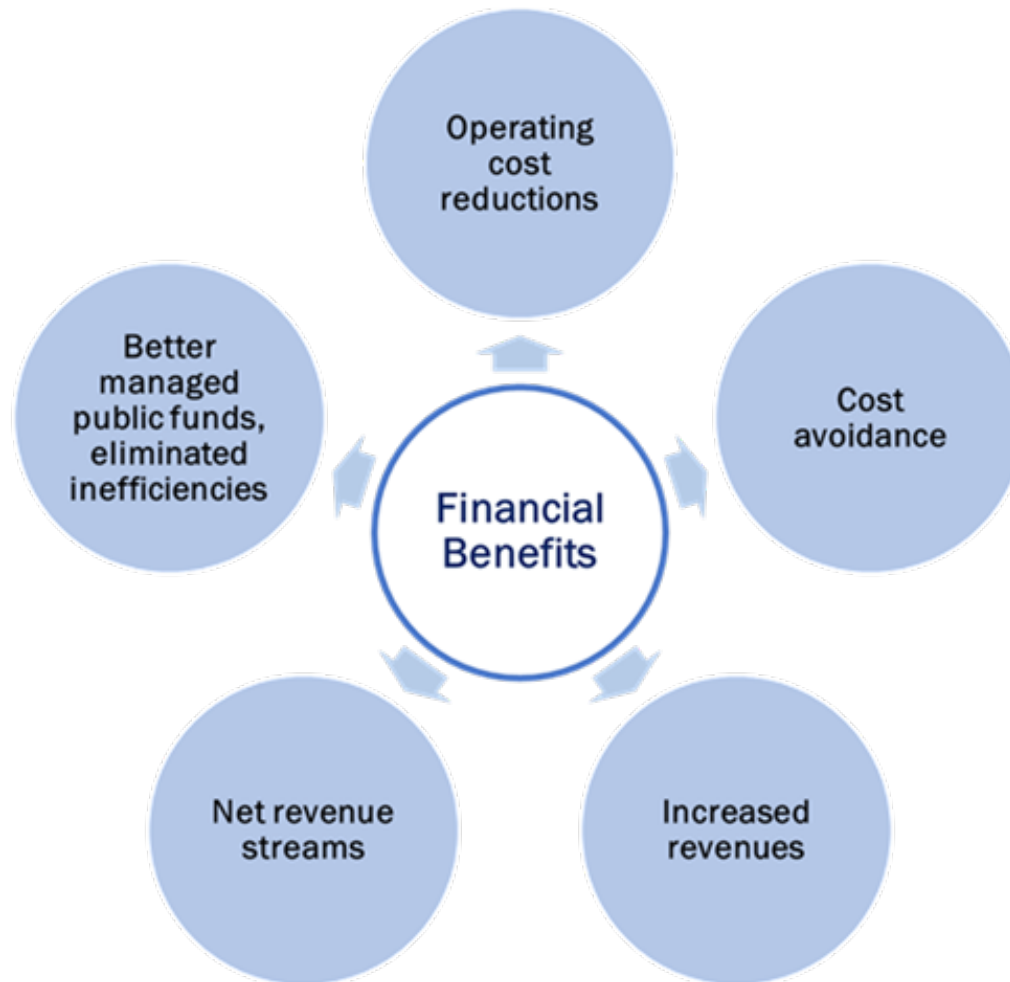
Addressing Housing Priorities and Improving Outcomes for People Experiencing Homelessness



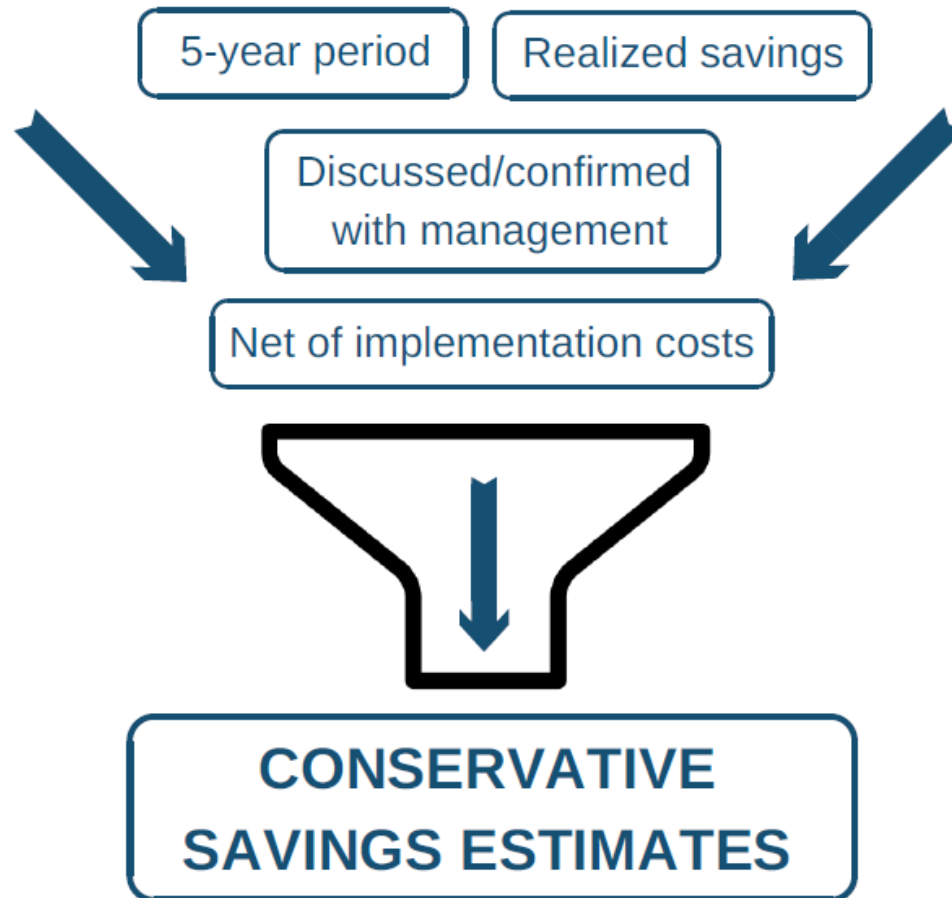
Identifying and Recommending Controls to Protect the City from Cybersecurity Threats

# **1. Add Value to the City**

# Types of Financial Benefits Through Implementing our Recommendations



# Realized Savings: Underlying Principles



# Total Cumulative Estimated Savings of \$398 Million

## Return on Investment of AGO: \$12.52



Office Costs  
**\$31.8M**



Total Savings  
**\$398M**



**\$1.00**



**\$12.52**

# Cumulative Estimated Savings Achieved in City through AG Recommendations

**Table 1: Cumulative One-Time and Projected Five-year Savings (\$000s) 2018 to 2022, Auditor General's Office**

ESTIMATED SAVINGS \$000s						
Year of Savings	Year of Annual Report					
	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	Total \$
2018	\$14,095					\$14,095
2019	\$21,689	\$26,294				\$47,983
2020	\$23,189	\$2,596	\$34,636			\$60,421
2021	\$24,689	\$2,200	\$11,046	\$90,998		\$128,933
2022	\$24,689	\$516	\$13,135	\$9,882	\$3,058	\$51,280
2023	\$24,689	\$516	\$13,511	\$9,944	\$2,922	\$51,582
2024		\$516	\$5,697	\$9,432	\$2,922	\$18,567
2025			\$5,697	\$9,180	\$2,379	\$17,256
2026				\$4,563	\$1,879	\$6,442
2027					\$1,454	\$1,454
Total	\$133,040	\$32,638	\$83,722	\$133,999	\$14,614	\$398,013

Excerpted from pg. 30 of the 2022 Annual Report



# One-time and Annually Recurring Savings (\$000) Realized in 2022

		One-Time / Retro / 2022	2023	2024	2025	2026	2027	Total	Budget Impact
<b>Savings Realized from Prior Year Reports</b>									
1	IT Infrastructure and Asset Management Review, 2018	\$410	\$188	\$188	\$188	\$188	-	\$1,162	NP
2	Fleet Services' Operational Review, 2019	\$1,914	\$780	\$780	\$237	\$237	-	\$3,948	AC
3	Children's Services Division, 2018	-	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$7,000	2023 (p.10 and 18)
4	Enhance Focus on Lease Administration of City-owned Properties, 2018	\$697	-	-	-	-	-	\$697	IY
5	Review of Wheel-Trans Services, 2012	-	\$500	\$500	\$500	-	-	\$1,500	2023 (Table 9 and p.36)
<b>Investigations of Fraud Related Matters</b>									
	2022 Cost Recovery and Loss Prevention	\$37	\$54	\$54	\$54	\$54	\$54	\$307	AC
<b>Total One-time and Recurring Savings</b>		<b>\$3,058</b>	<b>\$2,922</b>	<b>\$2,922</b>	<b>\$2,379</b>	<b>\$1,879</b>	<b>\$1,454</b>	<b>\$14,614</b>	

# Quantifiable Financial Impact - Example

**\$3.9 Million Savings  
(cost avoidance)  
2022 and over a 5-year  
period**

**Fleet Services Division has taken actions to address our 2019 recommendations relating to:**

- Warranty administration
- Costs due to operating without care



# Savings Reflected in City's Budget - Example

## \$7 Million Savings Over a 5-Year Period

### Children's Services Division

Additional savings from continuing to take action to address our 2018 recommendations by:

- Completing transfer of remaining 194 kindergarten and school-age child care spaces to local school boards with no overall service level impacts
- Resulted in reduction of \$1.4 million to 2023 operating budget (represents \$7 million over five years)



## 2. Make a Positive Difference

## **In 2022, we made impactful recommendations that also had non-financial benefits to:**



**Help Toronto Police Service improve timeliness of answering 9-1-1 calls and identify opportunities to support more effective responses to calls for service**



**Improve outcomes for emergency shelter clients by guiding them towards permanent stable housing more efficiently and effectively**



**Strengthen the safety of the City's IT systems and critical infrastructure against cyber attacks**

# Review of Toronto Police Service and 9-1-1 Public Safety Answering Point Operations

*“[I would like to] thank the Auditor General for a **thorough and evidence-based** look at the **9-1-1 operations** and the **police response to call for service**...I’m very happy about the **very detailed evaluation**...”*

John Reid  
President, Toronto Police Association

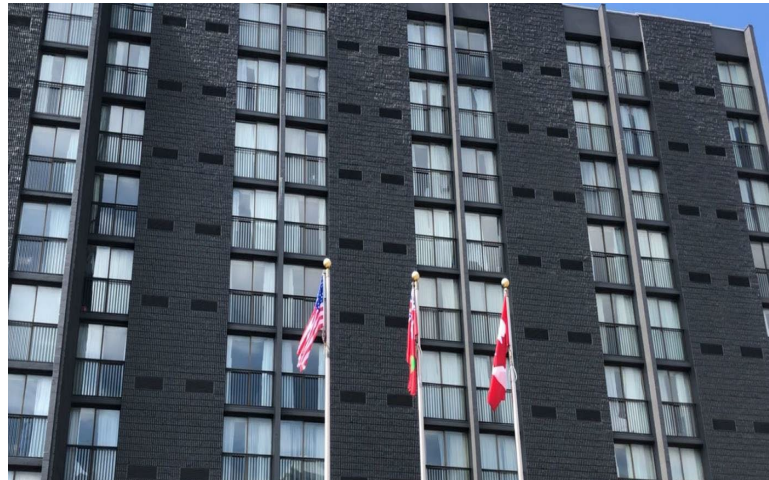




# Audit of Emergency Shelters: Case Management and Hotel Operations

*“Your findings and insights have been **extremely valuable** both **as it relates to the work we do with clients**, but as well as for the **services that we procure with tax dollars** which is so important to understand and to unpack...[We] welcome your findings and appreciate all of the work. Thank you!”*

Gord Tanner  
General Manager, Shelter Support & Housing Administration



# Cybersecurity Assessments – Toronto Fire Services, Toronto Transit Commission, and Open-Source Internet Data Intelligence

## 2021/22 Follow-up: Toronto Water SCADA System

(original report in 2020)

*“...Toronto Water worked closely with your office to review and implement the **critical Cyber Security measures recommended to further protect Toronto Water systems and infrastructure** for Toronto residents . The entire process was proactive and collaborative with an implementation that was both **efficient and extremely effective**. Our sincere thanks for your **professionalism and support...**”*



Lou Di Gironimo  
General Manager, Toronto Water



# 2022 Reports – Management’s Action Taken in 2022

## Action taken since our reports:

Toronto Police Service (TPS) management agreed with all recommendations made in the two reports. TPS management reported they have drafted an implementation strategy in response to these two reports. TPS management reported that all our recommendations have been mapped to TPS’s existing projects so that they will be leveraged and implemented with their implementation plan. TPS also formed a Steering Committee consisting of senior leaders and a number of working groups to drive and to implement the recommendations in the following key areas outlined in our reports:

- Re-thinking call for service response to support more efficient and effective outcomes
- Improving and further leveraging data and technology
- Increasing integration and information-sharing

In addition, TPS is working with the City on a communications and public education strategy. An in-depth update on the implementation progress for each of our recommendations will be submitted to the Toronto Police Services Board in June 2023.

Further, in response to our report recommendations, City Council directed the Deputy City Manager of Community & Social Services to lead and coordinate different City divisions in implementing the recommendations directed towards the City. A leadership table of Division Heads was formed to coordinate and work closely with TPS to implement the shared recommendations.

## Action taken since our audit:

The key priorities management highlighted of our recommendations will be included in the implementation of its Homelessness Solutions Strategy with an estimated completion date of Q4 2024.

SSHA advised us that it has made enhancements to update SMIS to better assess and price services on their level of acuity and depth of need. SSHA advised service providers to record case management data. SSHA developed policy and processes to improve identification and prioritization of client risk and to housing.

SSHA noted that it is working on improving tools, processes and system data by rolling out a new system to transition from a shelter management system to an outcome focused homelessness management system. SSHA developed functionality in their information system to track system-level key performance indicators, for shelter service providers, and have begun implementing a regular performance measurement system.

The Housing Secretariat advised that, since our report, they continued to seek additional funding opportunities for affordable and supportive housing. For example, they are in the process of preparing an Investment Plan for the City of Toronto Mortgage and Housing Corporation (CMHC) funding under the Rapid Housing Initiative to build affordable and supportive homes. This includes using vacant buildings, such as hotels or motels, for conversion to affordable housing.

SSHA is reviewing the shelter system, including when rooms are offline and for what purpose.

## Action taken since our audit:

In July 2022, at the direction of the City, the confidential report on their progress in accordance with the terms of the agreement and conditions of the agreement remain confidential at this time.

Furthermore, SSHA management actions on our recommendations can best leverage Corporate Services to identify, procure, and manage shelters by developing Service Level Agreements, defining responsibilities for identifying programs, procuring and negotiating block leases, and managing emergency shelter purposes. The Division has developed functionality for rooms are used across the shelter system and for what purpose.

## 3. Show Leadership

# Leaders in Our Profession



**The Association of Local Government Auditors  
Awards this**

## **Certificate of Compliance**

**to the**

**Toronto Auditor General's Office**

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards for audit and attestation engagements during the period January 1, 2018 through December 31, 2020.

*Corrie Stokes*

Corrie Stokes  
ALGA Peer Review Committee Chair

1. Achieved **highest possible rating** on its external **quality assurance review**
2. Recognized by Association of Local Government Auditors (ALGA) for using videos to effectively communicate audit findings
3. Served as **active members** on **ALGA committees** and **Municipal Internal Auditors Association Executive Board**

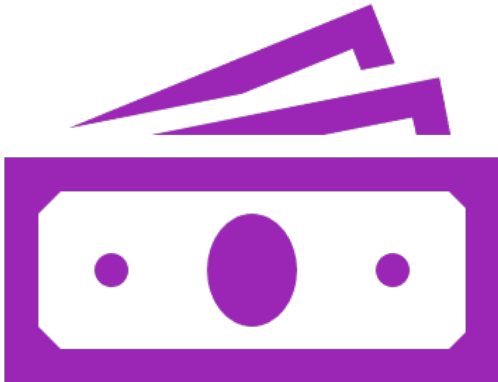


**Audits in Motion: Using Videos to Tell  
Your Audit's Story**

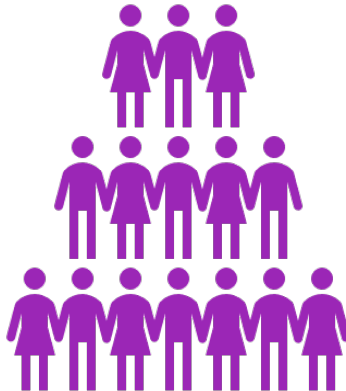
Laura Wright

# Recap:

1. Add Value to the City
2. Make a Positive Difference
3. Show Leadership



\$398M Cumulative  
Estimated Savings  
\$12.52 Return on  
Investment



People Impact



Leaders in our Profession

# Our Team

Our diversity strengthens the Office and enriches the work we do.



**AUDITOR  
GENERAL**  

---

**TORONTO**