

Auditor General's Office 2024 Work Plan and Budget Highlights

Date: November 17, 2023

To: Audit Committee

From: Auditor General

Wards: All

SUMMARY

The purpose of this report is to provide City Council with the Auditor General's 2024 Work Plan, which contains projects that are in progress or will begin in 2024, and many new projects on the horizon to commence in either late 2024 or 2025. These audit projects are identified through a City-wide risk and opportunities assessment process that is conducted every five years and updated annually for changes in emerging issues, priorities, and trends in allegations made to the Fraud and Waste Hotline. The Auditor General also considers the views and experience of City Councillors and City management. The Auditor General may amend the Annual Work Plan if new priorities arise.

This report also provides the 2024 Budget Highlights for information only, as the Audit Committee considers the Auditor General's 2024 Work Plan. The Auditor General is requesting \$7.991 million and this 2024 budget request will be presented directly to the Budget Committee on January 10, 2024 for consideration. The Auditor General's budget request reflects resources needed to address her 2024 Work Plan.

The Auditor General would like to thank the Audit Committee and City Council for their continued support of this Accountability Office, and of the important work we do. We look forward to continuing to add value to the City, make a positive difference in the lives of Torontonians through improved outcomes from our report recommendations, while taking an approach that helps to build relationships with auditees and stakeholders in a respectful manner.

RECOMMENDATIONS

The Auditor General recommends:

1. City Council receive the Auditor General's 2024 Work Plan and Budget Highlights for information.

FINANCIAL IMPACT

The recommendation in this report has no financial impact beyond the Auditor General's 2024 budget request.

The implementation of the Auditor General's recommendations results in savings to the City. Each year, the City realizes both quantifiable and non-quantifiable benefits from our audits and investigations. The Auditor General's 2023 Annual Report will be presented at the February 23, 2024 Audit Committee meeting. The Auditor General's 2022 Annual Report - Demonstrating the Value of the Auditor General's Office is available at:

<https://www.torontoauditor.ca/report/auditor-generals-2022-annual-report-demonstrating-the-value-of-the-auditor-generals-office/>

DECISION HISTORY

Under *the City of Toronto Act*¹, 2006, the role of City Council is to:

- represent the public and to consider the well-being and interests of the City;
- develop and **evaluate the policies and programs** of the City;
- determine which services the City provides;
- **ensure** that administrative and controllership policies, practices and procedures **are in place to implement the decisions** of council;
- **ensure the accountability and transparency of the operations** of the City, including the activities of the senior management of the City;
- **maintain the financial integrity** of the City; and
- carry out the duties of council under this or any other Act.

Under Section 178(1), the Auditor General is “*responsible for assisting city council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in city operations.*”

The Auditor General assists City Council by providing independent assurance about the quality of stewardship over public funds and the achievement of value for money by City Administrators.

¹ <https://www.ontario.ca/laws/statute/06c11>

Chapter 3 subsection 3-3.4 of the Toronto Municipal Code² states that:

“A. The Auditor General shall submit an annual plan to Council.

B. No deletions or amendments to the annual audit plan shall be made except by the Auditor General.

C. Despite Subsection B, Council may add to the annual audit plan by a two-thirds vote of all Council members.”

COMMENTS

The Auditor General’s Office 2024 Work Plan has been developed based on a balancing of audit priorities and available audit resources. The projects in the 2024 Work Plan are organized as follows (refer to **Attachment 1** for details):

- projects in progress or soon to be initiated in 2024;
- projects we would like to commence on the horizon for 2025; and
- backlog list of projects that we would like to complete over the longer term.

The Auditor General incorporates flexibility in the Work Plan in order to respond to emerging issues when needed, and this may result in a re-prioritization or deferral of some audits at times.

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² https://www.toronto.ca/legdocs/municode/1184_003.pdf

SIGNATURE

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Auditor General

ATTACHMENT

Attachment 1: Auditor General's Office 2024 Work Plan and Budget Highlights