

**Presentation to the Audit Committee
on February 12, 2025
Agenda Item AU8.1**



Auditor General's 2024 Annual Report

Demonstrating the Value of the Auditor General's Office

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

AUDITOR GENERAL --- TORONTO

Presentation Overview

- A. 2024 Highlights
- B. Key Performance Indicators
 - 1. Add Value to the City
 - 2. Make a Positive Difference
 - 3. Show Leadership
- C. Recap and Final Remarks



2024 Highlights

10 Audit, Investigation and Cybersecurity Reports

86 Recommendations

\$11 for Every Dollar Invested

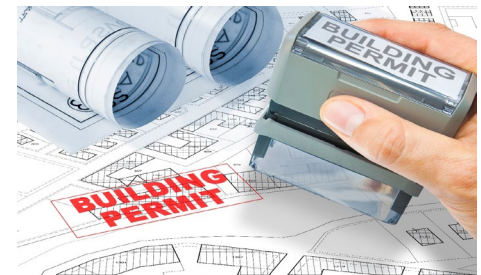


Community Services
and Public Safety



Procurement
and Contracts

Building Construction
and Housing



Cybersecurity



1. Add Value to the City

Types of Financial Benefits Achieved by Implementing our Recommendations



Realized Savings: Underlying Principles



Total Cumulative Estimated Savings of **\$376 Million** Return on Investment of AGO: **\$11**

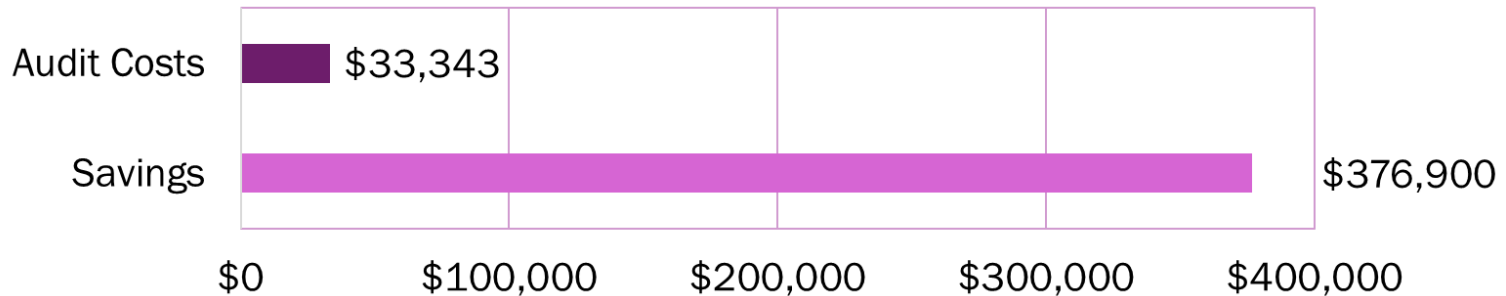


Table 1: Cumulative One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s), Auditor General's 2020 to 2024 Annual Reports

Year of Savings	Year of Annual Report					
	2020 (in \$000s)	2021 (in \$000s)	2022 (in \$000s)	2023 (in \$000s)	2024 (in \$000s)	Total (in \$000s)
2020	\$34,636					\$34,636
2021	\$11,046	\$90,998				\$102,044
2022	\$13,135	\$9,882	\$3,058			\$26,075
2023	\$13,511	\$9,944	\$2,922	\$42,439		\$68,816
2024	\$5,697	\$9,432	\$2,922	\$23,592	\$11,557	\$53,200
2025	\$5,697	\$9,180	\$2,379	\$19,392	\$2,570	\$39,218
2026		\$4,563	\$1,879	\$18,908	\$2,570	\$27,920
2027			\$1,454	\$18,413	\$2,570	\$22,437
2028				\$11	\$2,533	\$2,544
2029					\$10	\$10
Total	\$83,722	\$133,999	\$14,614	\$122,755	\$21,810	\$376,900

(Excerpted from pg. 34 of the 2024 Annual Report)

One-time and Annually Recurring Savings Projected Over Five-Year Period (in \$000s), 2024

Table 2: One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s) Recognized in 2024, Auditor General's Office

		One-Time/ Retro/ 2024 (in \$000s)	2025 (in \$000s)	2026 (in \$000s)	2027 (in \$000s)	2028 (in \$000s)	2029 (in \$000s)	Total (in \$000s)	Annual Report Pg #	Budget Impact See Legend
Savings Realized from Prior Year Reports										
1	Management of the City's Employee Extended Health and Dental Benefits, 2016-2017 (3 reports)	2,276	2,276	2,276	2,276	2,276		11,380	37	AC, NP
2	Management of the City's Long-Term Disability Benefits, 2015-2016 (3 reports)	3,490						3,490	38	NP, AC
3	Audit of Interface Invoice Payments: Improving Contract Management and Payment Processes, June 2019	45						45	39	IY
4	Toronto Transit Commission: Managing Telecommunication Contracts and Payments, May 2018	247	195	195	195	195		1,027	39	IMM
5	Review of Toronto Transit Commission's Revenue Operations: Phase Two - PRESTO/TTC Fare Equipment and PRESTO Revenue, October 2019	223						223	40	IY
6	Review of Urban Forestry – Permit Issuance and Tree Bylaw Enforcement Require Significant Improvement, June 2018	5,030						5,030	41	IY
7	Ensuring Value for Money for Tree Maintenance Services, April 2019 & Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit, February 2021	133						133	42	IY

Quantifiable Financial Impact - Example

\$5.03 Million Savings (2024 one-time savings)

Parks, Forestry and Recreation – Urban Forestry Branch has taken actions to address our 2018 audit recommendations relating to:

- Developing a comprehensive process and policy to address old unclaimed deposits

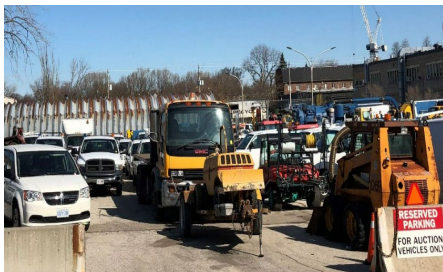


Examples of Additional Potential Future Financial Benefits Included in the City's 2025 Budget Notes



- Toronto Transit Commission

- Technology Services



- Fleet Services

The potential savings and non-quantifiable benefits identified in 2025 Budget Notes are not yet verified as realized, and therefore not yet reflected in our saving calculations.

2. Make a Positive Difference

In 2024, we made impactful recommendations that also had non-financial benefits to:



Actions Taken By Management Since our 2024 Report Issued

Action taken by management

In response to our audit, management has taken the following actions:

- A comprehensive review of time targets is underway to improve priorities and efficiency.
- A formal request has been made to the City of Toronto to:
 - establish a 30-month target for the completion of the project
 - consider creating a single point of contact for the project
 - support funding for the project
- A detailed staffing analysis is being completed, including levels by evaluating workload, allocation, and response time, nearing completion.
- Toronto Paramedic Services and Equity Division to review processes and retention. Similar work is planned for other divisions in consultation with the union.

Action taken by management since our report:

In the report (November 25, 2024) considered at the December 9, 2024 Audit Committee meeting, the Forestry and Recreation (PFR) has taken the following steps to address the findings of the report in General:

- PFR issued a memo to all staff regarding attendance reporting expectations and process for Daily Activity Sheets.
- PFR had initiated training for staff on the accountability and sign-off requirement for every crew member on their crew's Daily Activity Sheet.
- PFR and Fleet Services worked to ensure all remaining Parks vehicle Class 1-8 vehicles by the end of the year.
- PFR had begun implementing the Parks Quality Assurance Framework. Check and the Daily Activity Sheet. Supervisors are now responsible for on-site quality checks of all Daily Activity Sheets. Supervisors must verify that the Daily Activity Sheet has been completed.

quality assurance staff are now responsible for systematically reviewing a rolling sample of Daily Activity Sheets to ensure they are filled out completely, with no deficiencies.

Action taken by management since our report:

In response to our audit, Municipal Licensing and Standards (MLS) and Revenue Services management have advised that:

- MLS is developing an internal Short-Term Rental Operations Framework that will provide guidance to program staff on Short-Term Rental processes relating to application review, communication, investigations, enforcement and compliance. Improvements have been made to the triage and processing of Short-Term Rental applications.
- MLS has hired additional staff and enforcement officers to support Short-Term Rental operations and compliance efforts.
- MLS is also working with the Technology Services Division to modernize the Short-Term Rental case management system.
- Revenue Services has taken action to improve internal audit processes and procedures to ensure short-term rental operators and platforms are remitting Municipal Accommodation Tax truthfully and accurately. Revenue Services is also reviewing the possibility of amending the interest calculation methodology that is currently stated in By-law 296-2018, in consultation with Legal Services.

3. Show Leadership

Who audits the auditors?



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

Certificate of Compliance

to the

**City of 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 engagements during the period
January 1, 2021 through December 31, 2023.

Corrie Stokes

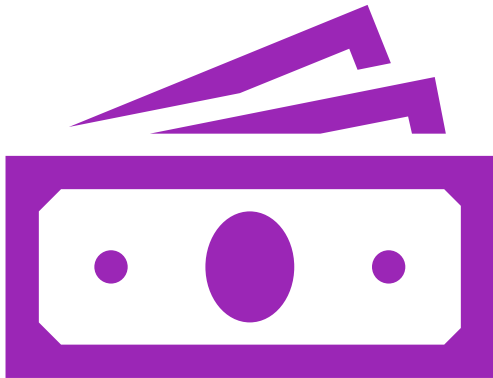
Corrie Stokes
ALGA Peer Review Committee Chair

Leaders in Our Profession



Recap:

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



\$376M Cumulative
Estimated Savings

\$11 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