



Auditor General's 2025 Annual Report

Demonstrating the Value of the Auditor General's Office

January 29, 2026

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

**AUDITOR
GENERAL**

TORONTO

Auditor General's Message



2025 was a busy year for the Auditor General's Office. In addition to delivering over 12 impactful reports across a number of City divisions, agencies and corporations, my Office received a Knighton Award recognizing excellence in local government performance audits.

This report highlights the results of our work in 2025 and the continued impact of financial and non-financial benefits that the Office provides to the City of Toronto.

Every year we share the measurable impact of our work through a quantified return on investment – in fact, we are one of the only audit offices in North America to do so. By implementing our recommendations, the City has achieved cumulative one-time and annually recurring savings projected over a five-year period totaling over \$342 million (as reported in our 2021 to 2025 Annual Reports). For every dollar invested in the Auditor General's Office, there was a return of \$9.74.

Equally important are the non-financial benefits that arise from our work. These include improvements to the effectiveness of City programs, systems, processes, and controls. Our recommendations also help to ensure City resources are used efficiently to deliver services and programs that improve life for Torontonians.

In 2025, our Office delivered impactful reports with recommendations aimed at:

- supporting beautiful, **clean and safe parks** by improving park asset management and repair processes
 - addressing opportunities to stretch funding further and **make more beds available for people experiencing homelessness** at winter warming centres and respite sites
 - **strengthening cybersecurity controls** at the City and its agencies and corporations, including the Toronto Police Service and Exhibition Place
 - effectively monitoring contractor performance and enforcing contracted winter maintenance service levels to support **safety and mobility of road, sidewalk, cycle, and path users**
 - enhancing workforce planning and management to improve **non-union succession planning and employee engagement** and retention at the Toronto Transit Commission
 - **preserving road quality and longevity** and preventing road hazards that increase public safety risks by strengthening oversight of utility cut permit and inspection processes
 - maximizing **cost savings and operational efficiency** of low-dollar value City-wide purchasing while balancing other procurement objectives and maintaining compliance
 - reinforcing the importance of **strong governance** by City Council and management for the FIFA World Cup 2026 Toronto and any future large-scale international events in the city, including the FIFA World Cup 2026 Toronto
 - improving Toronto Water's contract management oversight of state of good repair projects to **ensure the City's stormwater and wastewater infrastructure are well-maintained**
-

Here are just some of management's acknowledgements of the impact of our work in 2025:

*"I'd like to thank the AG and her team for their work on this audit and for the recommendations that **we are certain will strengthen our utility management practices** and complement the work already underway."*

Barbara Gray, General Manager (retired), Transportation Services
on the audit of utility cut permit and inspection processes

*"...We agree with all of the recommendations, and we are happy to have actually had the team from the Auditor General's Office in to **help us identify some of the critical areas that we have vulnerabilities in and that we need to progress, to improve the state of hiring across this organization.**"*

Bruce Macgregor, Deputy CEO, Toronto Transit Commission
on the TTC non-union workforce planning and management audit

*"...going through the audit was **very helpful in identifying the need for us to update a lot of our procedures and our manuals** that we use, because we haven't done that for some time..."*

Lou Di Gironimo, General Manager, Toronto Water
on the stormwater and wastewater contract management audit

Looking forward, our Office aims to continue to add value (including savings) to the City and make a positive difference in the lives of Torontonians through improved outcomes from our report recommendations – all while taking an approach that helps to build relationships with auditees and stakeholders in a respectful manner.

I am grateful for the continued support and assistance we receive from management and staff across all City divisions, as well as staff and Board members from the agencies and corporations we work with. I would also like to thank the City's Audit Committee and members of City Council for their support of the work we do.

Finally, our ability to deliver on our mandate depends on our team. I wish to thank the entire team at the Auditor General's Office for their excellent work and tireless dedication and commitment to making a difference for the people of Toronto.

Sincerely,

Tara Anderson, CPA, CA, CFE, CIA, BAcc
Auditor General, City of Toronto

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Our Mission, Mandate, and Team

Mission

To be recognized as a leading audit organization, respected for excellence, innovation, and integrity, in supporting the City of Toronto as a world-class organization.

Mandate

Under Section 178 of the *City of Toronto Act, 2006*, 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 assists City Council in fulfilling its due diligence responsibilities by independently providing transparent, objective information to City Council to help ensure Torontonians' tax dollars are spent as directed by City Council.

The Auditor General's Office is independent of management and has the authority to conduct performance audits including reviews of financial controls, operations, and information system security. The Office also operates the Fraud and Waste Hotline and conducts investigations and other special reviews of City divisions, and certain City agencies and corporations. **Exhibit 1** contains more details about our background, responsibilities, and authority under the *City of Toronto Act, 2006*.

Our Team



*Our diversity strengthens the Office and enriches the work we do.
We are honoured to serve the City of Toronto.*

Land Acknowledgement

The Toronto Auditor General's Office acknowledges that we are on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat peoples, and that this land is now home to many diverse First Nations, Inuit, and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 signed with the Mississaugas of the Credit, and the Williams Treaties signed with multiple Mississaugas and Chippewa bands.

2025 Highlights



12+ reports with **81**
recommendations



\$9.7 for every dollar
invested



Knighton Award
winner

In 2025, the Auditor General presented 12 impactful reports with 81 recommendations, as well as our 2025 follow-up reports. These reports (listed in **Exhibit 2**) and their expected benefits and impacts are summarized in the **Impactful Reports Issued in 2025** section in this report.

The total one-time and annually recurring savings projected over a five-year period realized in 2025 was over \$49 million; with cumulative estimated savings in our 2021 to 2025 Annual Reports totaling over \$342 million. For every dollar invested in our Office, there was a return of \$9.74. This is discussed in more detail in the **Impact of Auditor General's Recommendations** section in this report.

Non-quantifiable benefits from Auditor General recommendations include enhanced cybersecurity and internal controls, improved policies and procedures, more effective management of City resources, increased operational efficiencies, and better customer service. These are illustrated in the **Impactful Reports Issued in 2025** section in this report and in **Exhibit 3**.

Our 2025 reports focused on:



Cybersecurity – to strengthen cybersecurity controls while reducing overall exposure to risk

- Cybersecurity assessments at Exhibition Place and the Toronto Police Service
- Report on securing online confidential meetings



Governance and resource planning – to strengthen governance and use of resources

- Governance lessons learned from FIFA World Cup 2026 - Toronto
- Audit of TTC non-union workforce planning and management



Community services – to improve efficiency and effectiveness of operations and service delivery

- Audit of Parks Branch operations (Phase 2)
- Audit of warming centres and winter respite sites



Procurement and contract management – to support efficient procurement and strengthen oversight of contracts

- Audit of Toronto Water stormwater and wastewater contracts
- Audit of utility cut permit and inspection processes
- Winter maintenance program follow-up
- Audit of divisional low dollar value purchasing

Impactful Reports Issued in 2025

12 impactful reports and two follow-up reports issued in 2025

In 2025, our Office completed 12 impactful audits, investigations, and other subject matter reports, containing 81 public or confidential recommendations. The Auditor General also issued a consolidated report on the status of previous Auditor General recommendations to City divisions. A standalone report to the Boards of Toronto Community Housing Corporation and Toronto Seniors Housing Corporation, *Toronto Community Housing Corporation - 2025 Follow-up - Status of Previous Auditor General's Recommendations*, was also issued. **Exhibit 2** provides a listing of the reports issued by the Office in 2025.

This section summarizes the impacts of the significant reports issued in 2025, including actions taken by management since the reports, as outlined in the purple boxes below each report summary.

Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving Park Asset Management and Repair Processes, January 2025



Why this audit matters

City parks play a vital role in enhancing the quality of life for people of all ages. The Parks Branch is responsible for the ongoing care and maintenance of over 1,500 City-operated parks, including various amenities found in each park. Ensuring the ongoing maintenance and repair of park assets and amenities is key to ensuring safe and well-functioning public spaces.

The second phase¹ of our Parks Branch audit focused on processes related to park inspections, non-capital repairs, and maintenance of various park assets and amenities, and public complaints.

Opportunities for continuous improvement to ensure maintenance and repair needs are identified, prioritized, and addressed in a timely manner

The audit identified opportunities for improvement in the following areas:

- Improving park maintenance inspections and monitoring of the resolution of deficiencies
- Implementing consistent practices for repair-related service requests and work order tracking
- Establishing a comprehensive system for monitoring public complaints from intake to resolution

How recommendations will benefit the City

The nine recommendations in this report will enable the Parks Branch to improve its processes and procedures for addressing complaints, managing and monitoring asset repairs, and conducting park inspections.

The audit report is available here:

[Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving Park Asset Management and Repair Processes](#)

Action taken by management since our report:

In updates to the Audit Committee in July and November 2025,² the Parks and Recreation (P&R) Division indicated that they had already taken the following steps to address the Auditor General's recommendations:

- delivered refresher training on parks inspection requirements, including follow up and handoff requirements. P&R also reviewed deficiencies noted through inspections for the previous year, and is documenting action, resolution, and/or hand-off of the identified deficiencies
- completed review all open historical work orders in the current work order system
- implemented interim procedures to existing manual work order and repair tracking processes until the processes are fully integrated into a future Enterprise Work Management System
- integrated P&R into the City's 311 program, enabling residents to submit park service requests online (mobile app, web, email) or by phone

¹ In October 2024, the Auditor General presented the results of the first phase of the operational review, [Audit of Parks Branch Operations – Phase 1: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe](#)

² [Audit of Parks Branch Operations – Phase 1 & 2: July 2025 Status Update](#); [Audit of Parks Branch Operations – Phase 1 & 2: November 2025 Status Update](#)

Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further, February 2025



Why this audit matters

People experiencing homelessness are particularly vulnerable to illness and injury due to exposure to cold temperatures. Toronto Shelter and Support Services (TSSS) provides indoor spaces and services at warming centres and winter respite sites to support people experiencing homelessness during the cold winter months.

Opportunities to better understand demand so less people are turned away during cold winter months

The audit identified opportunities to better understand and address demand for winter respite site and warming centre beds through better tracking and data analysis. The audit also highlighted opportunities to stretch existing funding and potentially provide more beds.

TSSS should strengthen financial controls to ensure winter services are operated cost effectively

We also found opportunities to improve financial accountability of winter respite program and warming centre operations. Strengthening financial controls through more robust review and analysis of budgeted and actual costs will improve TSSS' ability to ensure these winter services are operated more cost-effectively.

How recommendations will benefit the City

Implementing the 15 report recommendations can help TSSS improve the efficiency, effectiveness, and economy of winter respite sites and warming centres, and act on opportunities to stretch funding further.

The audit report is available here:

[Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further](#)

Action taken by management since our report:

In response to our audit, TSSS management advised that they have:

- completed cost reconciliation and recovery related to the 2023/2024 Winter Services Plan and recovered the full amount owing from its agencies in Q1 2025
- implemented overflow tracking at warming centres since the 2024/25 winter season
- improved timeliness of finalizing agreements with service providers to operate warming centres and 24-hour winter respite sites since the 2024/25 winter season to mitigate the City's legal liability and insurance coverage gaps
- established a working group to review activation and deactivation procedures for winter programs, with a focus on data, operational impacts, costs, benefits, and client considerations
- adjusted the Winter budget to better reflect actual operating and activation days for warming centres, informed by data and experience from prior winter seasons. This includes reallocating resources to support extreme weather alert responses in other seasons, resulting in a net savings of \$1.689 million being included in the 2026 budget

Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management, March 2025



Why this audit matters

Workforce planning and management, including succession planning, are critical in ensuring that the Toronto Transit Commission's (TTC) non-union workforce meets its current and future operational requirements, particularly as the number of employees at or nearing retirement eligibility is increasing.

Opportunities for continuous improvement to support current and future non-union workforce operational requirements

This audit identified areas for continuous improvement which can help the TTC:

- formalize a corporate-wide succession plan and implement human resources performance metrics, both of which will help support organizational goals
- strengthen the policy for rehiring pensioners to be more restrictive, and minimize unintended negative impacts³ on overall employee engagement and retention
- strengthen the monitoring of employee feedback and engagement obtained through surveys and interviews, to take timely action on employee concerns and identify areas for continuous improvement
- improve the process for managing, tracking, and addressing formal complaints from employees, to better identify trends and improve accountability

How recommendations will benefit the City

The Auditor General's seven recommendations can help improve the TTC's non-union workforce planning and management processes, contributing to a positive impact on employee engagement and retention. While this audit focused on the TTC's non-union personnel, many of the recommendations can also be applied to the rest of the TTC's workforce.

The audit report is available here:

[Audit of the Toronto Transit Commission's Non-Union Workforce Planning and Management](#)

³ For example, while the practice of rehiring pensioners is meant to fill an operational need, it may also negatively affect employees' perceptions of career advancement within the TTC.

Action taken by management since our report:

TTC management advised the following actions have been taken since the audit:

- engaged leadership in discussions on processes and policies relating to rehired pensioners and reduced the number of rehired pensioners from 35 to 4, as of January 1, 2026.
- conducted an employee engagement survey, which was open for four weeks and achieved a 67 per cent completion rate; survey results were communicated to all employees in October 2025
- Talent Management established a KPI and Metrics Dashboard to track human resources best practice KPIs
- Human Rights & Investigations Department implemented a new case management system in October 2025 and launched the Intake and Early Resolution Office

Audit of Transportation Services: Improving Utility Cut Permit and Inspection Processes, June 2025



Why this audit matters

The Transportation Services Division issues approximately 35,000 utility cut⁴ permits annually. Utility cuts can lead to traffic disruptions and construction-related complaints. Inadequate utility cut restoration can deteriorate City roads and sidewalks or result in road hazards, increasing safety risks for drivers, cyclists and pedestrians. Therefore, it is critical for the City to have an effective system to oversee permits, inspections, and restoration quality.

⁴ A “utility cut” refers to excavating a portion of the public right-of-way (e.g., pavement, sidewalks or boulevards) to provide access to underground utilities, such as water mains, power lines, and telecommunications infrastructure.

Opportunities to strengthen oversight of utility cut permit and inspection processes

Our audit identified opportunities to:

- improve tracking and timeliness of utility cut application processing to better monitor progress, identify causes of delays, and increase efficiency
- improve inspections and deficiency monitoring to ensure high-quality repairs that maintain the integrity and longevity of road infrastructure
- establish an effective cost recovery fee structure to fully recover the utility cut program's oversight and administration costs from third party utility companies
- better track and integrate utility cut data to enable informed oversight and decision making

How recommendations will benefit the City

Implementing the 14 recommendations contained in this report will strengthen the effectiveness, efficiency, and oversight of the utility cut permit and inspection processes. This helps to ensure the City meets current and future service demands, preserves road quality and longevity, and prevents road hazards that increase public safety risks.

The audit report is available here:

[Audit of Transportation Services: Improving Utility Cut Permit and Inspection Processes](#)

Action taken by management since our report:

In response to our audit, Transportation Services management advised that the Division:

- began implementing quality assurance checks for inspections and permit issuance and is standardizing its quality assurance process to monitor compliance
- reviewed all outstanding invoices related to City-led permanent restorations and is working on recovering amounts owed to the City, where applicable
- developed and implemented a new form in the existing online system that allows utility companies to submit the details needed to help the City calculate and recover future pavement degradation fees in a more timely manner. The Division is also working to recover any outstanding pavement degradation fees that have not been billed since 2018
- is working with the Technology Services Division to enhance existing systems that support improved tracking, reporting, and coordination of utility cut activities

Audit of the City's Low Dollar Value Purchases: Increasing Efficiency and Cost Savings While Balancing Other Procurement Objectives and Maintaining Compliance, June 2025



Why this audit matters

This audit was initiated in response to concerns from City staff, management, and Councillors that low dollar value purchasing (under \$3,000) takes too long. Given the City's large volume of low dollar value purchases, increasing the efficiency of its procurement and payment processes can significantly impact divisional operations.

Opportunities for the City to better support divisional procurement efficiency

Our audit identified opportunities for the City to better support divisional procurement efficiency without compromising policy compliance by expanding purchasing card use and reviewing thresholds for requiring multiple quotes.

Furthermore, the City's Purchasing and Materials Management Division (PMMD) can support increased operational efficiencies and savings across the City by taking a centralized leadership role to better understand City-wide procurement needs for low and medium dollar value purchases, and by providing strategic support for divisional procurement planning and coordination.

PMMD can enhance its reviews and analysis of collective divisional purchasing to identify opportunities to better manage spending categories by:

- obtaining better pricing by consolidating buying power
- maximizing contract rebates, discounts, and other benefits
- leveraging corporate programs with member benefits, and
- leveraging co-operative purchasing, where appropriate

How recommendations will benefit the City

The six recommendations from the audit can help the City maximize operational efficiency and cost savings when conducting low dollar value purchasing. Recommendations can also apply to the City's medium dollar value purchases (up to \$120,000), and are also relevant for the City's agencies and corporations.

The audit report is available here:

[Audit of the City's Low Dollar Value Purchases: Increasing Efficiency and Cost Savings While Balancing Other Procurement Objectives and Maintaining Compliance](#)

Action taken by management since our report:

Management advised that most recommendations are anticipated to be implemented in 2026. Particularly, management advised that:

- The Procurement and Materials Management Division (PMMD) will collaborate with Accounting Services Division (ASD) to review applicable by-laws and procedures and develop revised guidance, training, and controls.
- Beginning in Q1 2026, PMMD will engage with category management teams to solicit input and analyze purchasing activity across divisions. This analysis will inform next steps, including identifying opportunities to improve operational efficiency, cost-effectiveness, and alignment with City-wide procurement needs.
- The functionality to use purchasing cards as a payment method for (divisional) purchase orders has now been configured in the financial information system and will be activated with the estimated go-live date in Q2 2026. PMMD will work in consultation with ASD to ensure alignment between Toronto Municipal Code Chapter 71 and Chapter 195 during the Financial Control By-Law review.

FIFA World Cup 2026 – Toronto: Governance Lessons Learned for Bidding and Planning to Host Future Mega Events, June 2025



Why this report matters

The magnitude and financial impact of Mega or large City-hosted international events like the FIFA World Cup 2026 often require involvement and funding from multiple levels of government and may increase the City's risk exposure. To mitigate risk exposure, it is important to have strong Council oversight and governance in place, as well as timely and transparent reporting by staff to City Council.

Opportunities for improved governance and cost control measures for future Mega or international events

As a result of our review of the City's governance and cost control measures leading up to and during the execution of the FIFA World Cup 2026 Agreement, we identified opportunities for improved governance by City Council and management on future Mega or international events, as well as other decisions of City Council involving significant funding together with commitments required from multiple levels of government, by:

- ensuring City Council is promptly informed of significant changes in estimated values or significant updates of a project or agreement, where City Council has delegated authority to staff
- establishing a Mega Event policy and framework that includes a comprehensive risk assessment and risk mitigation strategies

How recommendations will benefit the City

The seven recommendations in this report reinforce best practices to help strengthen governance and guidelines for future Mega or large City-hosted international events, as well as to address areas for improvement in hosting the FIFA World Cup 2026 in Toronto.

The report is available here:

[FIFA World Cup 2026 – Toronto, Governance Lessons Learned For Bidding and Planning to Host Future Mega Events](#)

Action taken by management since our report:

Management advised that, moving forward, staff are to begin centralizing email communications, formal letters, and relevant documents and they expect most of the remaining recommendations to be implemented between 2026 and 2027.

In alignment with [the 10-Year Action Plan for Toronto's Economy \(2025-2035\)](#), management plans to use Toronto's experience with the FIFA World Cup to inform future long-term bidding and hosting principles and strategies, including governance processes, for Mega Events.

2025 Winter Maintenance Program Follow-Up: Status of Auditor General's Previous Recommendations, June 2025



Why this recommendation follow-up matters

Contracted winter maintenance services are part of the City's snow and ice management plan to ensure the safety and mobility of all road, sidewalk, cycle, and path users.

In March 2025, City Council requested the Auditor General to consider reviewing whether the Auditor General's previous recommendations related to winter maintenance operations had been implemented by City management ahead of the February 2025 winter storm.⁵

Nine prior recommendations were not fully implemented

In our 2025 follow-up report, we identified nine out of thirty of the Auditor General's previous recommendations were in progress and not yet been fully implemented by management ahead of the February 2025 winter storm.

Auditor General made three new recommendations

The Auditor General made three new recommendations for the Transportation Services Division to further improve oversight and management of current winter maintenance contracts.

How recommendations can benefit the City

Fully implementing the remaining nine recommendations from the Auditor General's previous reports on the winter maintenance program, and the three new recommendations, can help Transportation Services better monitor contractors, track service levels, apply liquidated damages and performance-based price adjustments, and ensure winter maintenance contracts are delivered as intended.

The follow-up report is available here:

[2025 Winter Maintenance Program Follow-Up Status of Auditor General's Previous Recommendations](#)

Action taken by management since our report:

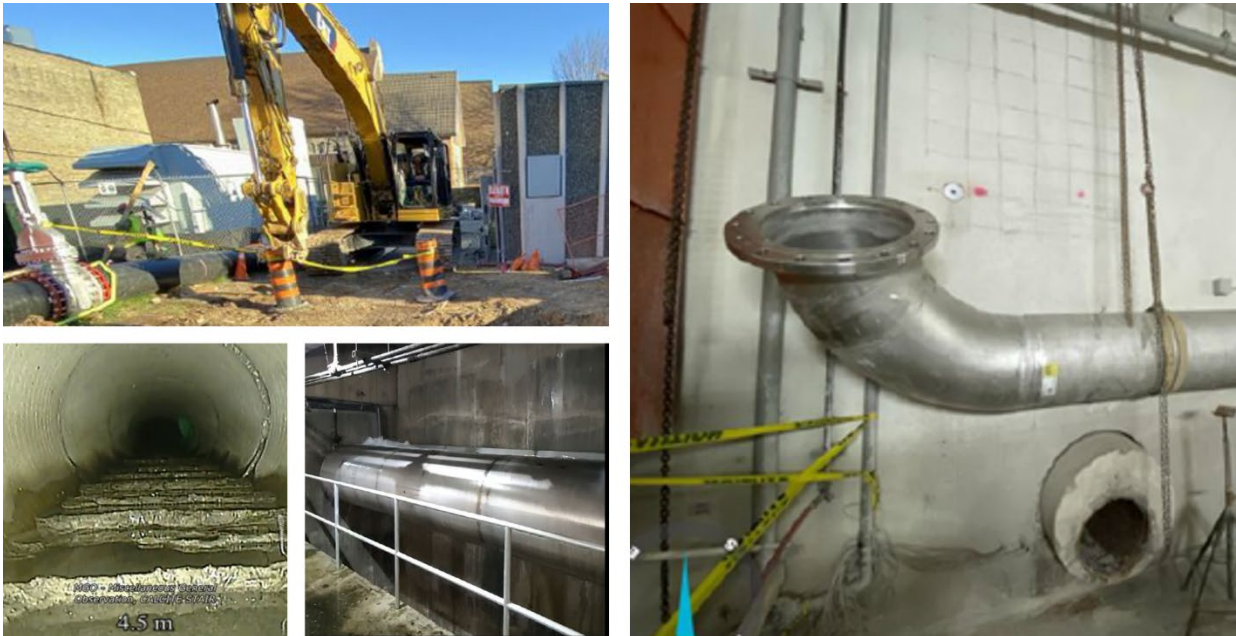
Management advised that the Transportation Services Division is:

- phasing in a dedicated, year-round winter unit to strengthen contract management, enhance preparedness and training, and update processes and procedures. It is expected that the new Manager of this unit will be hired by the end of March 2026
- in the final phases of user acceptance testing with the GPS service provider to improve the dashboard's reliability and performance to better monitor contractor operations and verify service delivery

⁵ This was part of a series of requests to the Auditor General included in the motion by the Mayor that was adopted by City Council. At the same meeting, City Council adopted motions for the City Manager to conduct a full review of the winter maintenance operations. Refer to City Council's decisions on March 26 and 27, 2025 at: [Agenda Item History - 2025.EX21.1](#). The Auditor General will revisit City Council's requests after the City Manager's broader operational review is complete, to assess whether additional audit work is necessary.

- using a new field audit process and related forms, to support more complete, consistent, and better-documented field audits – longer road segments have been implemented to increase the total distances covered by the field audits
- using new tools to better leverage 311 data to identify high-concentration service request areas to guide additional risk-based assessments and improve insight into potential performance issues
- conducting a focused review of locations serviced by single-axle vehicles to assess whether service standards are met and to apply price adjustments where warranted

Audit of Toronto Water: Stormwater and Wastewater Contract Management, October 2025



Why this audit matters

Maintaining the City's sewer systems in a state of good repair is essential for maximizing return on assets and providing reliable sewer services to Toronto residents and businesses. Aging infrastructure and lack of maintenance can lead to asset failures.

This audit assessed whether Toronto Water has systems and processes in place to ensure that state-of-good-repair projects for local sewers, forcemains, and pump stations are delivered according to the expected outcomes and contract terms and conditions.

Opportunities to strengthen accountability and oversight of contractors and consultants

The audit identified three key areas for Toronto Water to improve capital project contract management by:

- ensuring that projects remain on schedule, and that all time extensions and assessment of liquidated damages are properly supported and documented
- improving adherence to the change directives process and ensuring change orders are properly documented, analyzed, and tracked
- implementing better performance management to ensure that consultants and contractors are held accountable for their contractual obligations

How recommendations will benefit the City

Addressing the 12 recommendations in the report will help Toronto Water improve the effectiveness and efficiency of its contract management oversight of state of good repair projects.

The audit report is available here:

[Audit of Toronto Water: Stormwater and Wastewater Contract Management](#)

Action taken by management since our report:

Management advised that many of the report recommendations will be addressed through the City's *Enhancing Capital Construction Delivery Program*, a corporate initiative led by the Engineering and Construction Services Division. The Enhancing Capital Construction Delivery Program, approved by Council in April 2025, is currently being operationalized and will be implemented over the next two plus years through a phased, iterative approach.

Cybersecurity Reports including Assessments at Selected Agencies and Corporations: Exhibition Place and Toronto Police Service Follow-up, 2025



Cybersecurity remains a critical risk

Cybersecurity threats are constantly evolving while becoming more sophisticated. The City of Toronto and its agencies and corporations must ensure their cybersecurity programs are adapting to new challenges and threats.

Auditor General has taken a proactive approach to independently assessing cybersecurity

The Auditor General's Office has been proactive in its approach to independently assessing cybersecurity and has completed a number of vulnerability assessments and penetration testing of critical systems at the City and its agencies and corporations since 2015.

In 2019, the role of the Chief Information Security Officer (CISO) was created based on an Auditor General's report recommendation. The CISO now leads the Toronto Cyber Security Division.

City has also been proactive in its action to address evolving risks

In 2024, City Council directed the CISO to establish a cyber security risk management partnership with agencies and corporations.⁶ This direction enabled the CISO to enter into agreements, such as memorandums of understanding or professional services agreements with City agencies and corporations, to support the delivery of cyber services, address emerging vulnerabilities and risks, and strengthen cyber security. As of December 2025, over 98 per cent of agencies and corporations have signed an agreement with the CISO.

Given the significant risks due to continuously evolving cybersecurity threats, the Auditor General will continue to perform audits to assist the City and its agencies and corporations in continually improving cybersecurity controls.

Cybersecurity Audit of Exhibition Place – Phase One: Physical Security, User Access Management and Staff Training, November 2025

Technology plays a vital role in all aspects of Exhibition Place's operations and services

Exhibition Place is used for conventions, conferences, trade shows, entertainment and sporting events, public celebrations, festivals, and cultural attractions, generating over \$594.5 million per year in economic impact.⁷

Phase 1 audit focused on physical security at selected facilities, user access management, social engineering and staff awareness

Technology plays a vital role in all aspects of Exhibition Place's operations and services. Given the size of the operations, and the services that Exhibition Place provides, the Auditor General included a cybersecurity audit of Exhibition Place in her 2025 Work Plan.

The first phase of this audit focused on physical security at selected facilities, user access management, social engineering and staff awareness. The next phase of the audit includes an overall assessment of Exhibition Place's networks, systems, and application security.

⁶ [2024.EX14.3](#)

⁷ [2025 Capital and Operating Budget Notes – Exhibition Place](#)

On December 5, 2025, the Auditor General's report with a confidential attachment was presented to the Board of Governors of Exhibition Place. The Board expressed its thanks for the work completed by the Auditor General. A confidential detailed technical report was also provided to management. Management has agreed to our recommendations.

The public report is available at:

[Cybersecurity Audit of Exhibition Place – Phase One: Physical Security, User Access Management and Staff Training](#)

Toronto Police Service IT Infrastructure: Cybersecurity Assessment and Follow-up of Previous Recommendations, June 2025

Auditor General conducted a cybersecurity assessment at the Toronto Police Service in 2021

The Toronto Police Service uses its Information Technology (IT) infrastructure to help deliver mission critical work to keep the City's communities safe.

In December 2019, the Toronto Police Service Board requested the Auditor General to conduct a cybersecurity assessment at the Toronto Police Service. The assessment was completed in 2021, and the results were presented at the June 24, 2021 Toronto Police Service Board meeting.

In 2025, the Auditor General conducted another assessment and follow-up of previous recommendations

In 2025, the Auditor General's Office completed another cybersecurity assessment and follow-up of previous recommendations. The public report with a confidential attachment was tabled at the July 17, 2025 Toronto Police Service Board meeting.⁸ Confidential findings and recommendations, as well as a detailed technical report, were provided to management.

Management continues to make progress in strengthening cybersecurity and has agreed to our new recommendations. The Auditor General will follow up on the status of the implementation of recommendations in the future and will update the Toronto Police Service Board and City Council accordingly.

The public report is available at:

[Toronto Police Service IT Infrastructure: Cybersecurity Assessment and Follow-up of Previous Recommendations](#)

⁸ [Toronto Police Service Board - July 17, 2025 - Public Meeting](#)

Securing Online Confidential Committee and Board Meetings: Sharing Best Practices at the City, and its Agencies and Corporations, January 2025

Benefits and risks related to hybrid meetings

The City and its agencies and corporations regularly hold hybrid meetings (including meetings of City Council, Boards, and committees). Attendees may be physically present in-person or attend virtually via video conferencing. Hybrid meetings have benefits in terms of ease of access and efficiency; however, they also introduce cybersecurity and confidentiality risks.

While attending certain meetings during other audits, staff from the Auditor General's Office observed incidents that suggest improved awareness and guidelines are needed. These observations reinforce the importance for adequate practices and controls to be in place when initiating and conducting these meetings, particularly for confidential (in-camera) portions of meetings.

Opportunity to enhance and standardize guidance to proactively prevent unauthorized access to confidential information during hybrid meetings

This report highlights the importance for the City to enhance and standardize cybersecurity guidance to proactively prevent unauthorized access to confidential information discussed in these meetings. These best practices should then be shared with City agencies and corporations.

The public report is available at:

[Securing Online Confidential Committee and Board Meetings:
Sharing Best Practices at the City, and its Agencies and Corporations](#)

Action taken by management since our report:

Management has agreed to review and update the existing cybersecurity guidelines according to best practices and industry standards. In addition, management advised a separate training module will be developed and included as part of the City's annual mandatory cyber awareness training.



Forensic Unit conducts and provides oversight over investigations

The City's Fraud and Waste Hotline Program is operated by the Auditor General's Forensic Unit. The Forensic Unit conducts investigations and provides independent oversight of management-led investigations. Without the Hotline Program, certain losses from incidents of fraud and waste might not have been identified or recovered.

Hotline data also provides a picture of trends and potential risks that have contributed to audits with significant findings, including the recent audits of Transportation Services utility cut permit and inspection processes and Toronto Transit Commission non-union workforce planning and management.

697 complaints, approximately 1,150 allegations in 2025

In 2025, the Hotline received 697 complaints, representing approximately 1,150 allegations. This is similar to 2024 (679 complaints and 1,050 allegations). We continue to manage a high volume of allegations, which has remained relatively consistent over the past five years, at an average of approximately 1,210 allegations per year.

Benefits of the Hotline

The Fraud and Waste Hotline Program is an important anti-fraud control for the City of Toronto and yields both quantifiable and non-quantifiable benefits. According to the Association of Certified Fraud Examiners *2024 Report to the Nations on Occupational Fraud*, organizations that had anti-fraud controls in place experienced smaller fraud losses and detected frauds more quickly than organizations lacking those controls.

One-time recoveries of \$28,000 and avoided costs over five years of \$467,000

Quantifiable benefits resulting from complaints received through the Hotline Program include one-time recoveries of approximately \$28,000 and recurring avoided costs totaling approximately \$467,000⁹, for a total of \$495,000 over five years.

Quantifiable benefits arising from complaints identified by divisional management and referred to the Hotline Program are not included in our savings calculations.

Investigation involving multiple City of Toronto electricity accounts

During 2025, we also completed and issued a report related to a [Fraud Investigation Involving Multiple City of Toronto Electricity Accounts](#). A summary of this investigation can be found in Exhibit 2 of the [Auditor General's 2025 Annual Report on the Fraud and Waste Hotline](#). The Fraud and Waste Hotline Annual Report will be presented at the February 12, 2026 Audit Committee meeting.

Follow-up on Implementation of Auditor General Report Recommendations



Management is responsible for ensuring recommended changes and improvements are implemented

Management is responsible for ensuring that the recommended changes and improvements from our audits, investigations, and other reports, as adopted by Council, are implemented. Management's actions to implement the Auditor General's recommendations result in various financial and non-financial benefits to the City, some of which are discussed in other sections of this report.

⁹ **Recoveries** represent the amount of actual loss the City was able to recover after the fraud was identified and investigated. **Avoided Costs** represent the amount of loss that would otherwise have been incurred by the City had the fraud not been reported and investigated.

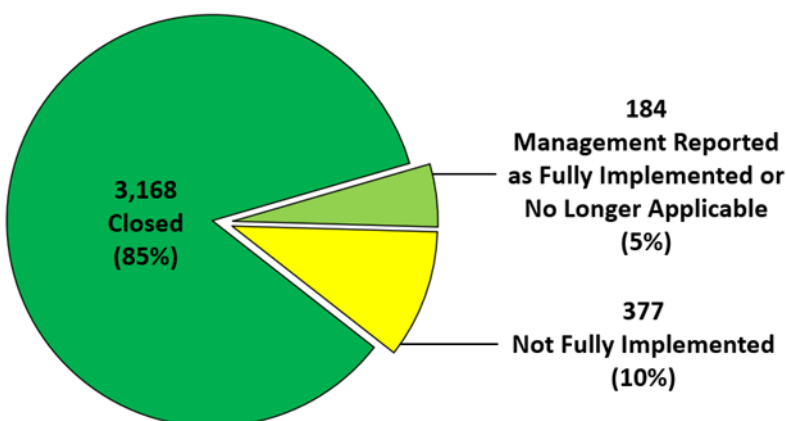
Auditor General's Office follow-up process provides accountability and transparency that management is taking action

Our Office's follow-up process provides accountability and transparency to City Council and the public by reporting on the implementation status of past recommendations made by the Auditor General. The Auditor General's Office uses an online system that allows management to provide updates on the implementation status of open audit recommendations and upload supporting documents at any time. This allows our team to manage the ongoing follow-up of recommendations and track their implementation status. For recommendations that management has reported as fully implemented or no longer applicable, management is required to provide an explanation as well as sufficient and appropriate supporting documentation. The work to verify the status of audit recommendations is performed on an ongoing basis and results are reported annually to City Council, through Audit Committee.

Report on the status of Auditor General's recommendations

Since 1999, the Auditor General has issued over 3,700 recommendations in over 400 reports. Of these, 85 per cent¹⁰ have been closed as of December 31, 2025, as shown in **Figure 1**.

Figure 1: Status of Auditor General Recommendations Since Inception (1999) to 2024, as of December 31, 2025



The Auditor General's 2025 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations, highlights noteworthy results, including financial and non-financial impacts identified during our follow-up, as well as areas where more action is needed from management to fully realize benefits and address high-priority recommendations to the City, agencies, and corporations.

¹⁰ While management continues to make progress, the Auditor General has not yet verified some of the recommendations management has reported as implemented. Management has reported another five per cent of recommendations have been fully implemented or are no longer relevant as at December 31, 2025, which could bring the implementation rate up to 90 per cent once management's assertions have been verified. Recommendations made by the Auditor General in her 2025 audits, investigations and other reports are not included in these statistics.

The follow-up report is available here:

[Auditor General's 2025 Consolidated Follow-up Report Status of Outstanding Recommendations for City Divisions, Agencies and Corporations](#)

Looking Ahead

The Auditor General continues to focus on verifying the status of high-priority recommendations as resources permit. Certain recommendations are considered high priority because there is a significant potential for savings, or health and safety risks, or the recommendation has been outstanding for over five years.

While the Auditor General continues to focus on the status of high-priority recommendations, this does not slow or impact management's ability or responsibility to continue taking action on all open recommendations to achieve intended operational improvements, savings and/or efficiencies.

In 2026, the Auditor General plans to follow-up on recommendations reported as fully implemented by various City divisions, agencies, and corporations including the Technology Services, Purchasing & Materials Management, Housing Secretariat, Municipal Licensing & Standards, and Corporate Real Estate Management divisions, as well as the Toronto Transit Commission, Toronto Parking Authority, and Toronto Police Service.

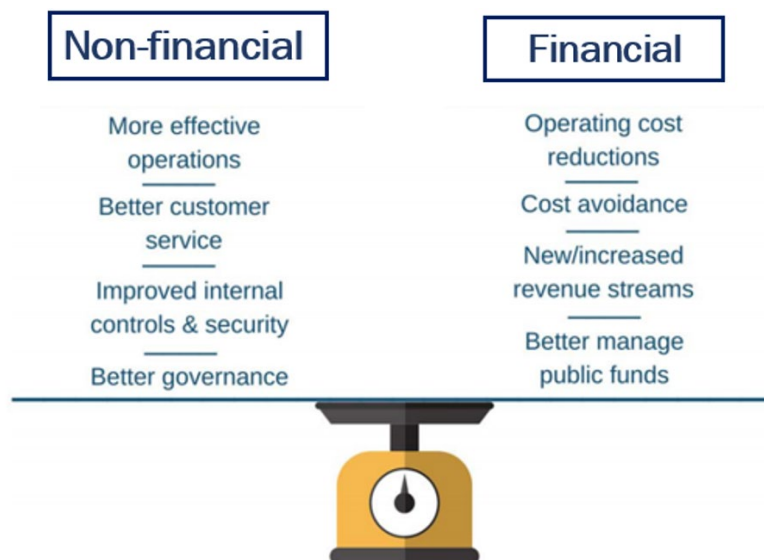
Impact of Auditor General's Recommendations

We are required to report on savings achieved

The Toronto Municipal Code requires that we report annually to City Council on the activities of our Office, including the savings achieved.

As illustrated in **Figure 2**, effectively implementing the Auditor General's recommendations can lead to a variety of financial and non-financial benefits. Describing these potential impacts in our reports highlights to City Council, City administrators, and members of the public, the importance of timely action in response to recommendations.

Figure 2: Financial and Non-Financial Benefits from Implementing the Auditor General's Recommendations



This section of the report summarizes the financial and non-financial impacts of the Auditor General's recommendations that the City realized in 2025.

Non-Financial Benefits

Non-financial benefits from implementing recommendations

Identifying opportunities to increase cost savings and revenues is only one component of the Auditor General's mandate. Equally important are the non-financial benefits that come from the Auditor General's recommendations. These include strengthened internal controls, cybersecurity controls, improved policies and procedures and compliance with laws, regulations and by-laws, better management and use of City resources, increased operational efficiency, better customer service, and increased detection and prevention of serious safety and security issues. **Exhibit 3** includes examples of common themes from reports issued in recent years where the benefits were either non-financial in nature or could not be conservatively quantified at the time the reports were issued.

Noteworthy non-financial benefits are reported through Auditor General's follow-up process

The Auditor General reports out periodically on noteworthy non-financial benefits arising from the implementation of recommendations. Examples of non-financial benefits highlighted in the Auditor General's 2025 Follow-Up Report on the Status of Outstanding Recommendations include:

- improved monitoring of the City's fleet to identify underutilized vehicles, reduce vehicle downtime, and preventative measures to reduce fleet maintenance costs
- enhanced enforcement activities to address contravention of Tree Protection by-laws and improve crew productivity on tree maintenance services
- continued investment to improve cybersecurity, including procuring and upgrading tools, resources, licences, and services that support IT security functions
- improved practices over escalating project delays, identifying emerging risks, and increased stakeholder engagement for the rollout of the City's Enterprise Work Management Solution (EWMS)
- improvements to the City's Basement Flooding Protection Subsidy Program that assist homeowners in taking steps to prevent flooding on their private properties

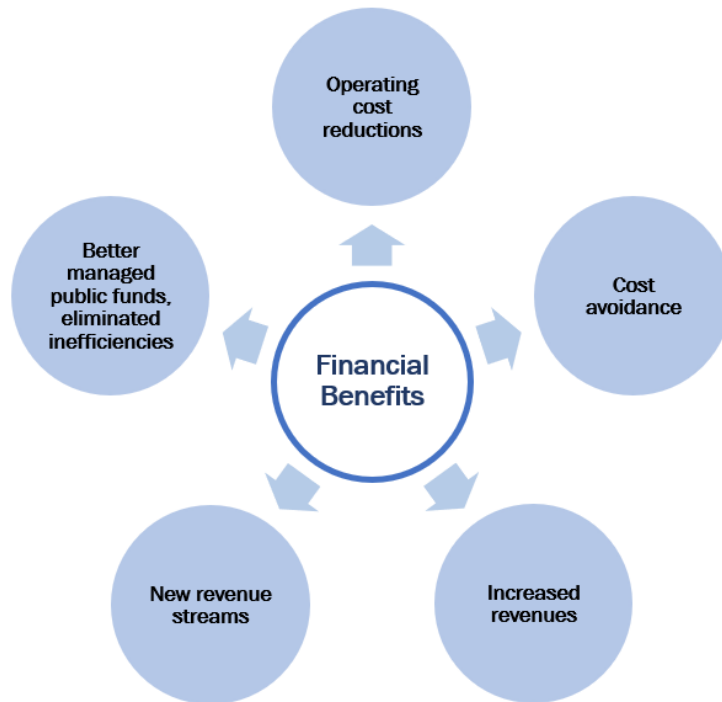
The Auditor General's follow-up report can be found here: [Auditor General's 2025 Consolidated Follow-up Report – Status of Outstanding Recommendations for City Divisions, Agencies & Corporations](#)

Financial Benefits

Financial benefits from implementing recommendations

As shown in **Figure 3**, the City realizes various types of financial benefits through the implementation of our recommendations. These financial benefits, which we refer to as *savings* throughout this report, include cost reductions, efficiency savings, new or increased revenue streams, or future cost avoidance.

Figure 3: Types of Financial Benefits Referred to as Savings in the Auditor General's Annual Report



When Financial Benefits Are Realized

Savings are realized through implementation of the related recommendation

Due to the nature of our recommendations and the work that management must undertake to fully implement the recommendations, savings can be realized anywhere from immediately after the report release date up to many years later. The timing depends on factors such as scope and complexity of the recommendations, speed of implementation, and in some cases, time elapsed for impacts to become observable.

Potential savings are not included when determining ROI

While our audits, investigations, and other reports quantify potential savings from implementing our recommendations (where possible), we do not include these potential savings in determining our return on investment. Our Office's return on investment (as discussed later in this report) is calculated based on savings that have been realized, can be reasonably supported by evidence provided by management, and/or quantified after our recommendations have been implemented.

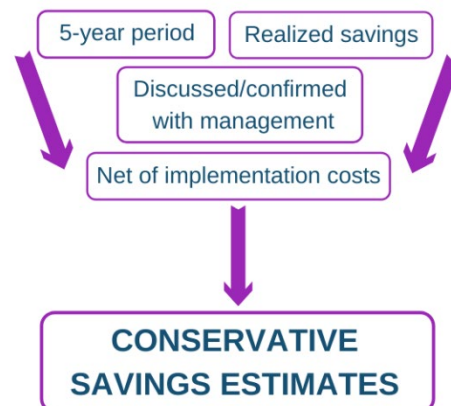
Methodology for Quantifying Financial Benefits

Underlying principles in quantifying realized savings

As illustrated in **Figure 4**, savings are quantified using the following principles:

- Savings are realized as **Auditor General recommendations are implemented**. In some cases, the City starts to realize benefits even before the recommendation is fully implemented. In other cases, savings are quantified many months after recommendations have been implemented when the full impact of changes come to fruition.
- We recognize **one-time and annually recurring savings**. Where savings are expected to recur annually, the **savings are projected for a five-year period**, even though the potential benefit to the City will likely extend beyond a five-year period.
- We **verify and discuss savings figures with management**, and review how savings or efficiencies are **reflected in the annual budgets**.
- Savings are **net of implementation costs**, where quantifiable and appropriate.
- Savings estimates are **conservative**.

Figure 4: Auditor General's Office Methodology for Quantifying Financial Benefits



Consideration of implementation costs

In making recommendations, we are mindful of their implementation cost and benefit. Careful consideration is given to ensuring recommendations are relevant, practical, and cost-effective. In many cases, our recommendations relate to processes or controls expected in the normal course of the City's operations, and therefore should already be contemplated within the program area's budget. Where the implementation of recommendations requires extra resources (such as acquiring new capital assets), we factor this into our calculations, if costs are quantifiable.

Divisions should first consider how to improve processes within existing staff and budget resources

It is important to note that in some cases, divisions, agencies, or corporations will request additional funding in their budgets and link them to our recommendations. Before seeking additional funding, it is our view that program areas should first look at how to improve their processes and approach within the existing budget and staff complement to efficiently deliver their mandated services.

Our Office continues to work with the City's Financial Planning Division to improve processes to clarify, for budget purposes, which impacts are linked to Auditor General recommendations.

How Financial Benefits Are Reflected in City Budgets

Working with Financial Planning to improve transparency of reporting in budgets on efficiencies from Auditor General recommendations

In 2019, City Council requested the Chief Financial Officer and Treasurer to work with City divisions and agencies to identify and include in future annual budget process documents, the costs, cost reductions, and revenue increases resulting from the Auditor General's reports and recommendations.¹¹ We continue to work with the Financial Planning Division to improve the transparency of management's actions and the impact on outcomes. Over the last few years, we have seen some program areas including more information in their Budget Notes that describe efficiencies / revenues / savings arising from our recommendations.

References to savings in divisional budgets

The timing of when divisions, agencies, and corporations implement the recommendations, and when savings are realized, will impact whether or not they report the savings in their current-year Budget Notes. Management has been helpful in providing the information we need to estimate the impact resulting from their implementation of recommendations.

¹¹ [Agenda Item History - 2019.EX2.5 \(toronto.ca\)](#), City Council decision #93

Savings recorded in prior years, or future avoided costs, might not appear in a program budget

It should be noted that certain savings may have been realized in prior years, but we have not been able to verify them until the current year's follow-up process. Therefore, these savings may not be highlighted in current Budget Notes as a revenue or expenditure change in the upcoming year (e.g., they may have already been incorporated in a prior year's base budget or as an in-year change). Also worth noting is that, in some cases, a program area is able to avoid future costs (operating or capital) as a result of implementing certain Auditor General recommendations. In these instances, the avoided costs also are often not reported in a program area's Budget Notes.

Table 2 (on page 33) summarizes the savings related to recommendations that we verified in 2025 and identifies how these savings were reported in program budgets, where applicable.

Return on Investment

ROI compares costs of the Office to cumulative estimated realized savings (for 2021-2025)

Each year, our Office calculates a return on investment (ROI) based on the cumulative amount of one-time and annually recurring savings projected over a five-year period, as included in the Auditor General's Annual Reports for the most recent five years. The cumulative savings from the five most recent Annual Reports are aggregated and compared to the cumulative expenditures for the Office for the same period.

It is important to note that it is normal for the cumulative amount of one-time and annually recurring savings projected over a five-year period, as well as the return on investment to fluctuate from year to year, as these figures will depend on the timing of when management implements the recommendations and the value of the cost savings for those recommendations.

\$9.7 return on investment for every \$1 invested in our Office

As illustrated in **Table 1**, the City has achieved cumulative one-time and annually recurring savings projected over a five-year period totaling over \$342 million (from the 2021 to 2025 Annual Reports).

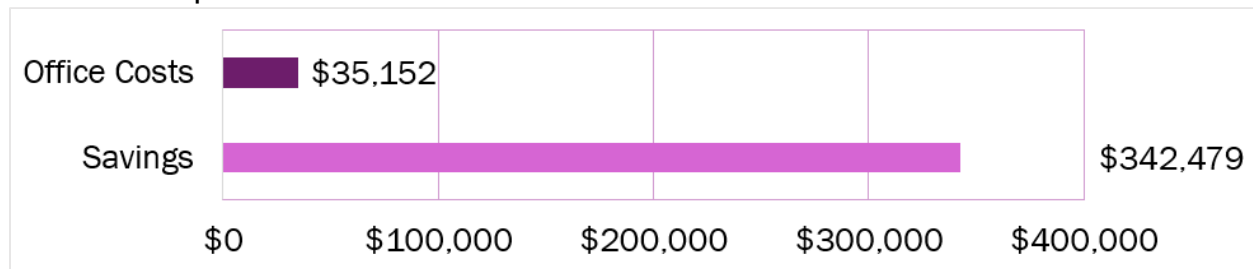
The cumulative cost of operating the Auditor General's Office from 2021 to 2025 was approximately \$35 million. **Figure 5** compares cumulative expenditures for the Office (Office costs) for the most recent five years to the cumulative one-time and annually recurring savings projected over a five-year period, as included in the Auditor General's Annual Reports for the most recent five years.

Based on these numbers, every \$1 invested in our Office from 2021 to 2025 provided a return of \$9.74.

Table 1: Cumulative One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s), Auditor General's 2021 to 2025 Annual Reports

Year of Savings	Year of Annual Report					
	2021 (in \$000s)	2022 (in \$000s)	2023 (in \$000s)	2024 (in \$000s)	2025 (in \$000s)	Total (in \$000s)
2021	\$90,998					\$90,998
2022	\$9,882	\$3,058				\$12,940
2023	\$9,944	\$2,922	\$42,439			\$55,305
2024	\$9,432	\$2,922	\$23,592	\$11,557		\$47,503
2025	\$9,180	\$2,379	\$19,392	\$2,570	\$36,558	\$70,079
2026	\$4,563	\$1,879	\$18,908	\$2,570	\$8,977	\$36,897
2027		\$1,454	\$18,413	\$2,570	\$3,177	\$25,614
2028			\$11	\$2,533	\$466	\$3,010
2029				\$10	\$77	\$87
2030					\$46	\$46
Total	\$133,999	\$14,614	\$122,755	\$21,810	\$49,301	\$342,479

Figure 5: Five-Year Office Costs Compared to Cumulative Savings (in \$000s) in the Auditor General's 2021 to 2025 Annual Reports



Prior Year Reports with Savings Recognized in 2025

\$49.3 M in one-time and annually recurring savings projected over a five-year period recognized in 2025

Table 2 itemizes the combined one-time and annually recurring savings projected over a five-year period, resulting from the implementation of recommendations from eight audits and investigations issued before 2025, together with the recovery of actual losses and/or projected potential losses identified through Fraud and Waste Hotline operations. The savings recognized in 2025 total over \$49.3 million.

Table 2: One-Time and Annual Recurring Savings Projected Over a Five-year Period (in \$000s) Recognized in 2025, Auditor General's Office

		One-Time/ Retro/ 2025 (in \$000s)	2026 (in \$000s)	2027 (in \$000s)	2028 (in \$000s)	2029 (in \$000s)	2030 (in \$000s)	Total (in \$000s)	Annual Report Pg #	Budget Impact See Legend
Savings Realized from Prior Year Reports										
1	Fleet Services Operational Review, 2019 (3 reports)	6,188	2,494	2,494	364			11,540	35	PY/IY OS NP
2	Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement, 2018	1,667						1,667	36	IY
3	Review of Urban Forestry – Ensuring Value for Money for Tree Maintenance Services, 2019-2021 (2 reports)	3,060	610					3,670	37	IY AC
4	Review of the Green Lane Landfill Operations – Management of Contracts Needs Improvement, 2018	5,500						5,500	37	PY/IY
5	Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue, 2016	1,730						1,730	38	IY NP
6	Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022	6,928	5,195					12,123	39	IY AC OS
7	Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes, 2015	9,700						9,700	40	IY NP
Savings from Fraud & Waste Hotline Program										
	2025 Recoveries and Avoided Costs	59	103	108	102	77	46	495	23	IY / AC
8	Installation and Maintenance of Traffic Signs Contract - Follow up on Complaints Received, 2022	1,726	575	575				2,876	41	IY AC OS
Total One-time and Recurring Savings		36,558	8,977	3,177	466	77	46	49,301		

Legend:

CY	One-time and recurring savings are reflected in 2026 Budget Notes.
PY	One-time and recurring savings were reflected in prior year Budget Notes but were not verified by the Auditor General's Office until 2025.
IY	One-time savings were realized in-year in 2025 or earlier; therefore, they are not reflected in the 2026 Budget Notes.
OS	Savings offset other expenditures or are productivity savings (i.e., more service delivered at same cost) and the offset / efficiency is not reflected in the 2026 Budget Notes because it does not have net dollar impact to the budget.
NP	One-time and recurring savings were realized but are not reflected in the 2026 Budget Notes because the financial impact is corporate-wide (rather than to a specific division's budget) or to a non-program account.
AC	One-time and recurring savings relate to avoided costs that would otherwise have been incurred, but for implementation of our recommendation(s). Avoided costs are not reflected in the 2026 Budget Notes because they do not represent a reduction to, or an enhancement of, a base budget requirement.
IMM	Savings would not generally be reflected in the Budget Notes because of the relatively low dollar impact.

(1) Fleet Services Operational Review, 2019 (3 reports)

Recommendations focused on improving management of underutilized vehicles

In 2019, the Auditor General issued three audit reports containing 37 recommendations as part of a multi-phase audit of fleet operations, focused on asset utilization and asset management practices.

The [Auditor General's 2025 Consolidated Follow-up Report](#) reported Fleet Services Division's ongoing progress towards implementing audit recommendations related to:

- managing and reducing underutilized vehicles
- improving City vehicle use, thereby reducing the need for employees to use personal vehicles, and related kilometrage reimbursement costs

Incremental savings over and above savings reported in previous Annual Reports

The savings described below are incremental to the one-time and annually recurring savings projected over five years totaling over \$5.4 million that were included in the [Auditor General's 2023 Annual Report](#).

a) Savings from Underutilized Vehicles

\$1.2 M in revenue from sale of vehicles and avoided maintenance costs of \$364 K annually

The City received \$1.2 million in one-time revenue from December 2023 to December 2024 by selling underutilized City-owned vehicles. Additionally, going forward, the City will no longer incur approximately \$364,000 in annual maintenance costs related to these vehicles, totaling \$1.82 million over five years.

Management advised that ongoing budget pressures (e.g., inflation and higher maintenance costs for the existing fleet) offset the savings from the avoided maintenance costs associated with these vehicles (which had exceeded their life span).

b) Savings from Employee Kilometrage Reimbursement Costs

\$2.1 M reduction in kilometrage costs in 2024 projected over four years will total over \$8.5 M in avoided costs

The audit also highlighted that leveraging the City's fleet could reduce the need for employees to use their personal vehicles and the related kilometrage reimbursement costs. In 2024, as a result of the collective efforts of all divisions to monitor and reduce kilometrage costs, the City incurred about \$2.13 million less in kilometrage costs than the baseline at the time of the original audits. This trend is consistent with the reduction noted in 2023 (\$2.2 million reported in the Auditor General's 2023 Annual Report). Therefore, we estimate annually recurring avoided costs projected over an additional four years (2024-2027) totals approximately \$8.52 million.

Over \$11.5 M total one-time and annually recurring savings over five years

Management's progress towards implementing the related audit recommendations will result in combined one-time savings and annually recurring savings projected over five years (or less, as applicable), totaling over \$11.54 million.

The 2019 audit reports are available here:

- [Fleet Services Operational Review, Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles](#)
- [Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention](#)
- [Fleet Services Operational Review - Phase Two: Stronger Asset Management Needed](#)

(2) Review of Urban Forestry - Permit Issuance and Tree By-law Enforcement Require Significant Improvement, 2018

Recommendations to improve review of unclaimed deposits, tree bylaw compliance, and enforcement

In 2018, the Auditor General completed an audit of Urban Forestry permit issuance and tree by-law enforcement functions and identified opportunities to improve controls over unclaimed deposits, permit issuance, and enforcement.

As highlighted in the [Auditor General's 2025 Consolidated Follow-up Report](#), in response to the audit recommendations, staff continued proactively and periodically reviewing old unclaimed deposits. Staff identified deposits that needed to be refunded back to permit applicants if tree planting requirements were satisfied, and forfeited deposits that could be transferred to revenue.

\$1.4 M in old unclaimed deposits were retained as revenue from October 2024 to December 2025

As a result of these enhanced processes, management recognized additional revenues of \$796,800 from forfeited deposits transferred between October 1, 2024, to April 30, 2025, and a further \$606,900 through December 2025. This is over and above the \$5.03 million in deposits retained as revenue from 2020 to the end of September 2024 that was previously included in the [Auditor General's 2024 Annual Report](#).

\$263 K increase in fines and cash in lieu of replanting collected by improving procedures responding to contraventions of Tree Protection by-laws

In response to the audit recommendations, management has also implemented enhanced enforcement activities targeting serious and repeat contraventions of Tree Protection by-laws. As a result of the increased compliance and enforcement procedures and prosecutions, the City has collected an incremental increase of \$263,700 in fines and cash in lieu of replanting between 2021 to 2025.

Total of over \$1.6 M in additional revenues to the City

In summary, the City realized approximately \$1.667 million in additional revenues over five years.

The 2018 audit report is available here:

[Review of Urban Forestry - Permit Issuance and Tree Bylaw Enforcement Require Significant Improvement](#)

(3) Review of Urban Forestry – Ensuring Value for Money for Tree Maintenance Services, 2019; Getting to the Root of the Issues – A Follow-Up to the 2019 Tree Maintenance Services Audit, 2021

Recommendations to improve the City's oversight of tree maintenance services

In 2019, the Auditor General performed an audit to assess tree planting and maintenance services and, in 2021, the Auditor General completed a limited-scope follow-up review to assess Urban Forestry's progress towards addressing issues and recommendations made in 2019.

Over \$3.6 M in cost avoidance from implementing recommendations

The audit emphasized the importance of paying vendors in accordance with the express terms of contract. On July 1, 2023, new hourly and unit rate contracts for tree maintenance and planting services took effect including, where appropriate, provisions for unpaid lunch and breaks, and fee adjustments for underperformance.

As highlighted in the [Auditor General's 2025 Consolidated Follow-up Report](#), we found improved reporting of break times by tree maintenance vendors in compliance with contract terms. We estimate the City has avoided approximately \$3.06 million in costs from 2023 to 2025 and will avoid an estimated \$610,000 related to 2026, as a result of implementing and enforcing these provisions for the current contract term.

The 2019 and 2021 reports are available here:

- [Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services](#)
- [Getting to the Root of the Issues - A Follow-Up to the 2019 Tree Maintenance Services Audit](#)

(4) Review of the Green Lane Landfill Operations – Management of Contracts Needs Improvement, 2018

Audit of landfill operations completed in 2018

In 2018, the Auditor General completed an audit of waste haulage, landfill operations and maintenance, and construction at the Green Lane Landfill. These services are contracted out to third-party vendors. The Solid Waste Management Services Division is responsible for the day-to-day management and oversight of these contracts.

Auditor General recommendations helped inform and improve the current contract

As reported in the [Auditor General's 2025 Consolidated Follow-up Report](#), in addition to site-specific operational improvements, the Auditor General's recommendations helped to inform and improve the design of the current renegotiated Operations, Maintenance and Construction Contract, which provides for the day-to-day landfilling operations and maintenance of the site.

Management provided details of the benefits and \$19.3 million in cost savings to support the extension of the contract presented in a report considered by the Infrastructure and Environment Committee in December 2020¹². The renegotiated contract commenced in January 2021.

These savings relate to items mentioned in the Auditor General's report findings or directly in response to the recommendations. In the [Auditor General's 2018 Annual Report](#), we reported annually recurring savings resulting from optimizing the amount of waste sent to Green Lane, totalling nearly \$4.9 million over five years.

\$5.5 M in additional savings related to recommendations assessed in current year

Management's implementation of the Auditor General's remaining recommendations resulted in additional estimated one-time savings of \$5.5 million.

The 2018 audit report is available here:

[Review of the Green Lane Landfill Operations – Management of Contracts Needs Improvement](#)

(5) Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue, 2016

2016 audit identified outdated property classification records could result in a loss of property tax revenue

In 2016, the Auditor General completed an audit of water billing and collections on properties that were classified as vacant land on the Municipal Property Assessment Corporation's (MPAC) records. We found several properties where building permits were closed for three or more years that appeared to be fully occupied and had regular water billings. When the property classification record is not updated by MPAC in a timely manner, this could result in a loss of property tax revenue to the City.

The [Auditor General's 2019 Annual Report](#) highlighted that in response to our audit recommendation, by correcting classifications of 26 properties, the City billed approximately \$310,000 in retroactive property taxes for prior years and \$274,000 in annual property taxes going forward. Over five years, this translated to approximately \$1.68 million in additional property tax revenue to the City. At that point, we noted that the City's ongoing review of other vacant land properties and appeals settlements, could achieve more financial benefits in future years.

\$1.7 M in property tax recovery from 2022 to 2024

As reported in the [Auditor General's 2025 Consolidated Follow-up Report](#), management's actions towards monitoring properties coded as vacant land recovered an estimated \$1.73 million in one-time incremental property tax, representing property tax from 2022 to 2024.

¹² [Green Lane Landfill Operations, Maintenance and Construction Contract Extension](#)

The 2016 audit report is available here:

[Audit of Water Billing and Collection – Phase II: Part 1 – Incorrect Vacant Land Status Properties Reduces City's Property Tax Revenue](#)

(6) Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations, 2022

Recommendations to strengthen contract management of hotels being used for shelter

In May 2022, the Auditor General completed an audit of hotels used to supplement the City's shelter capacity. The Auditor General made recommendations to strengthen Toronto Shelter & Support Services' (TSSS)¹³ oversight and management of hotel contracts.

Audit stopped a hotel operator from invoicing charges that were not in accordance with the express terms of the contract

As reported in the [Auditor General's 2025 Consolidated Follow-up Report](#), in response to our audit, TSSS management requested the hotel operator to remove certain extra charges from their invoices that were not in accordance with the express terms of the contract. By stopping these extra charges, the City saved an estimated \$13.8 million from January 2022 to July 2024 (the expiry date of the contracts). These savings were included in the [Auditor General's 2023 Annual Report](#).

\$12.1 M in additional savings by continuing to avoid extra charges from 2024 to 2026

During our 2025 follow-up, we noted that the City re-negotiated and extended the contracts in 2024. The new agreements and invoices also did not include the extra charges flagged during our original audit, extending the savings beyond the July 2024 expiry of the original contracts. For the period from August 2024 to the end of 2026, this represents an additional estimated \$12.1 million in avoided costs over and above the savings reported in the Auditor General's 2023 Annual Report.

The 2022 audit report is available here:

[Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations](#)

¹³ Formerly known as the Shelter, Support, and Housing Administration (SSHA) Division at the time the original audit was conducted.

(7) Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes, October 2015

Audit recommended strengthening controls in PILT billing and collection

In 2015, the Auditor General completed an audit of property tax billing and collection processes including payments in lieu of taxes (PILT)¹⁴.

The audit identified that a more proactive process was needed for review of individual assessments of PILT properties and the collection of PILT outstanding receivables. The Auditor General recommended strengthening controls to identify, review, bill and collect outstanding PILT amounts.

On average, the City bills approximately \$100 million a year for payments in lieu of taxes to various levels of governments. Revenue Services management advised that some of the key actions taken since the 2015 audit, to improve collections include:

- prioritizing accounts with high dollar value and/or long outstanding PILT receivables
- tracking and monitoring collection efforts
- reporting annually to the General Government Committee on the status of PILTs outstanding for federal, provincial and municipal properties

2% average annual improvement to PILT collections (\$9.7 M over five years) achieved by Revenue Services after taking action in response to audit

As a result of management's actions to implement the Auditor General's recommendations,¹⁵ the City's average annual collection rate for PILTs increased by approximately two per cent for the period reviewed (2020-2024), when compared to the average collection rate during the period covered by our original audit (2010 to 2013). In dollar terms, we estimate that this amounts to improved collections of approximately \$9.7 million over the period of five years.¹⁶

The 2015 audit report is available at:
[Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes \(PILTs\)](#)

¹⁴ PILTs are payments made in lieu of property taxes to the City by the federal, provincial and municipal governments and agencies.

¹⁵ [August 2025 staff report from the Executive Director, Finance Shared Services on the Status of Outstanding Payments in Lieu of Tax Amounts for Federal, Provincial and Municipal Properties](#) references that "improvements to internal processes stemming from recommendations made by the City's Auditor General ... that provide for the early notification of unpaid PILT amounts from federal, provincial and municipal bodies are improving the City's overall collection success rates for PILTs".

¹⁶ The improved annual collection rate, from approximately 97 per cent to 99 per cent, is conservatively calculated after adjusting for anomalies, such as significant accounts under dispute and negotiation that were outstanding (uncollected) at the time of the original audit.

(8) Installation and Maintenance of Traffic Signs Contract – Follow up on Complaints Received, 2022

How recommendations benefit the City

The Auditor General conducted an investigation to review allegations related to the City's traffic signs contract and in 2022 issued a report which directed the General Manager of the Transportation Services Division to ensure that all areas of improvement identified through the report recommendations are incorporated into the upcoming contract. The recommendations enhanced transparency on vendor invoices through improved internal controls and contract oversight processes.

Over \$2.8 M in cost savings and avoided costs

As reported in the [Auditor General's 2025 Consolidated Follow-up Report](#), the Auditor General assessed all recommendations as fully implemented. At that time, cost savings of \$1.4 million was reported as a result of reducing the number of crews (from four to three crews) and contractual changes related to more effectively manage scheduling and oversight of work. Since then, we have adjusted the cost savings amount to approximately \$1.726 million for 2023 to 2025 (up from \$1.4 million). Additionally, as a result of continuing with a reduced number of crews in the newly procured contract, we estimate the City will achieve a further \$1.150 million in avoided costs for 2026 and 2027, for a total of approximately \$2.876 million over five years.

The 2022 investigation report is available here: [Installation and Maintenance of Traffic Signs Contract – Follow up on Complaints Received](#)

Leaders in Our Profession

Auditor General's 2024 Parks Branch Operations audit report wins Knighton Award

Our effectiveness as an Office depends on having a strong and inclusive corporate culture that engages employees and allows us to retain top talent while carrying out our mandate.

Knighton Award: Distinguished Winner - Extra Large Shop

In 2025, our Office received a Knighton Award from the Association of Local Government Auditors (ALGA). The award recognized our report, [*Audit of Parks Branch Operations – Phase 1: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks Are Beautiful, Clean and Safe*](#), as one of the best performance audit reports from local government audit offices across North America. The ALGA Award Committee found the report topic to be highly impactful and responsive to the needs of both the public and decision-makers.



Engaging with our counterparts around the world

Sharing Our Knowledge and Expertise Locally and Globally

Our Office prides itself as an industry leader and regularly participates in opportunities to share our expertise, practices, and learnings from audits and investigations. We also regularly engage with counterparts from other jurisdictions in Canada and around the world, making valuable contributions to foster the growth of the audit profession.

Institute of Internal Auditors (IIA) International Conference: Four members of our Office participated in and volunteered at the IIA International Conference. The conference was attended by approximately 2,500 internal auditors from around the world, and covered topics such as advanced methodologies and innovations in the fields of artificial intelligence, cybersecurity, and other areas of emerging risk. One of our Office's Senior Audit Managers is a Vice-President on the Board of the IIA's Toronto Chapter, which helped plan and promote the event.



Municipal Internal Auditors Association (MIAA) Workshop: In 2025, we presented key findings from our report, [*Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences*](#), to municipal auditors from across Ontario at the Spring MIAA Workshop. Project leads for this audit highlighted ways to improve licence management and maximize value, sparking a lively exchange of best practices and knowledge exchange within this professional forum.



Canadian Audit and Accountability Foundation Delegation:. In 2025, Assistant Auditor General Syed Ali joined the delegation from the Canadian Audit and Accountability Foundation (CAAF) to facilitate the *Governance, Accountability, and Transparency for Inclusive Public Services Program* in Fiji, Tuvalu, and Vanuatu. As part of this Program funded by Global Affairs Canada, Mr. Ali helped select potential fellowship candidates for the CAAF's internship program in Canada, and shared expertise on performance auditing with other audit institutions, members of Parliament, and accountability bodies.



**Connecting and sharing
with other Canadian
Auditors General**

Network of Canadian Municipal Auditors General: Our Auditor General has taken the lead to organize and facilitate regular meetings with other Auditors General of municipalities across Canada, including Halifax, Sherbrooke, Ottawa, Hamilton, Winnipeg, Saskatoon, Regina, Calgary, Edmonton, and Vancouver, to share lessons learned and expertise with each other, and to build a stronger municipal network of Auditors General. She also has regular and ad hoc one-on-one meetings with many of these Auditors General.

Serving on industry committees and boards

Serving on Industry Committees and Boards

Staff from our Office also serve as active members on various local government audit industry committees and boards that foster the growth of the profession, including the:

- **Association of Local Government Auditors (ALGA):** Our staff are members of ALGA's Digital Strategy Committee and Peer Review Committee, as well as leading or being members of multi-jurisdictional teams conducting independent peer reviews of other audit offices.
- **Municipal Internal Auditors Association's (MIAA) Executive Board:** This board facilitates training and information-sharing events for its members from over 40 audit organizations and over 250 auditors from Canadian municipalities, school boards, and police services.
- **Institute of Internal Auditors (IIA) Toronto Chapter:** As part of the IIA's Executive Officer team, promoting certification in the field of internal audit, and delivering engaging learning events including organizing the Chapter's Annual Conference.

Giving Back to Our Community

Leaders of our Office emphasize the importance of giving back to our community and staff have generously supported these initiatives.

- Our Office continued to participate in the Colleagues Assisting in Providing Essentials (CAPE) Food & Clothing Donation Drive. During the month of November 2025, we collected a total of 325 donation items, consisting of food, winter clothing, school supplies and personal hygiene items. At the end of the campaign, CAPE donated to 68 shelters from the Toronto Shelter Network (a mix of City-run and non-profit run shelters).
- Our Office also continued to participate in the City's United Way campaign, with funds raised for the annual Civic Run and through payroll pledges in support of United Way's work.



2026 and Beyond

Bringing value through our independent and objective lens

The Auditor General will continue to bring value to City Council by examining City operations with an independent and objective lens and delivering projects that can result in impactful findings and recommendations to the City. The audits and investigations we completed in 2025 are listed in **Exhibit 2**.

Looking forward to 2026 and beyond, the Auditor General's Office will continue to deliver audits in high priority areas while balancing new requests from City Council, as well as investigations into allegations of fraud, waste or other wrongdoing that, if not addressed, may present high risks to the City. Planned audits in the 2026 Work Plan¹⁷ and those on our horizon are summarized in **Figure 6**.

Figure 6: Auditor General's Office 2026 Work Plan and 2027 Audit Horizon

Audit Work Plan (2026)	Audit Horizon (2027)
<p><u>Agencies and Corporations</u></p> <ul style="list-style-type: none"> • Exhibition Place – Cybersecurity Assessment • Toronto Community Housing Corporation and Toronto Seniors Housing Corporation – Capital Planning • Toronto Public Library – Cybersecurity Assessment • Toronto Police Service – IT Governance / Infrastructure • Toronto Police Service – Follow-up of Prior Recommendations • Toronto Transit Commission – Follow-up of Prior Recommendations • Toronto Transit Commission – Audit topic to be determined • Toronto Zoo – Cybersecurity Assessment <p><u>City Divisions</u></p> <ul style="list-style-type: none"> • Solid Waste Management Services – Contract Management • Corporate Real Estate Management (CREM) – Change Orders on CREM Capital Projects • Administrative Penalty System – Parking and Red-Light Camera Tickets • Transportation Services – Road Maintenance • Housing Secretariat – Supportive Housing • City-wide – Cybersecurity Risk of Third-Party Shared Services • Cybersecurity assessment of selected critical systems • City-wide – Data Analytics and Continuous Controls Monitoring 	<p><u>Agencies and Corporations</u></p> <ul style="list-style-type: none"> • Toronto Transit Commission – Audit topic to be determined • Toronto Police Service – Audit topic to be determined based on 2026 risk assessment • Selected agency or corporation – Cybersecurity assessment of selected critical systems <p><u>City Divisions</u></p> <ul style="list-style-type: none"> • Housing Secretariat – Affordable Rental Housing • Parks & Recreation – Community Recreation Centres • Parks & Recreation and Fleet Services – Electric Ferries • Development Review – Operational Review of Development Applications • City-wide – Hardware Asset Utilization and Data Centers Management • Children's Services – Toronto's participation in Canada-Wide Early Learning and Child Care Program • City-wide – Use of Consultants • Cybersecurity assessment of selected critical systems

¹⁷ The [Auditor General's Office 2026 Work Plan and Budget Highlights](#) was adopted by City Council on November 12 and 13, 2025.

Exhibit 1: Mandated Responsibilities of the Auditor General

Under Section 178(1) of the *City of Toronto Act, 2006* (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 achieving value for money in City operations.”

The Auditor General assists City Council by providing independent assessments of the quality of stewardship over public funds and whether value for money is being achieved in operations by conducting performance audits; cybersecurity, financial, operational and compliance audits and reviews; and forensic investigations, of City divisions and certain City agencies and corporations. The Auditor General also follows up on recommendations from previous reports.

The Auditor General's legislated responsibilities, powers and duties established in Section 178 of the Act are reinforced by Chapter 3 of the Toronto Municipal Code which sets out the Auditor General's specific responsibilities including:

- reporting to City Council on annual Office activities, including savings achieved
- undertaking audit projects identified by the Auditor General, or approved by a two-thirds majority resolution of City Council including performance, financial and compliance audits of City divisions, certain local boards, and City-controlled corporations. The Auditor General can also conduct audits, upon request by the Toronto Police Services Board, the Toronto Public Library Board, and the Toronto Board of Health

The Disclosure of Wrongdoing and Reprisal Protection framework set out in Chapter 192 of the Toronto Municipal Code also reinforces the Auditor General's provincially mandated responsibilities, powers, and duties established under Section 178 of the Act related to the safeguarding of public funds and ensuring value for money, by requiring the Auditor General's independent oversight in the investigation of reported wrongdoing. The Auditor General's independent oversight role includes:

- operating the Fraud and Waste Hotline Program, including referring issues to divisional management
- conducting investigations into allegations of fraud and other wrongdoing, as well as reprisal against employees under the City's Disclosure of Wrongdoing and Reprisal Protection rules

In accordance with the audit framework approved by City Council in 2002 (when the Office was established), the Auditor General's Office also performs the following duties:

- monitoring and coordinating with the external auditors performing financial statement audits of the City and the City's agencies and corporations
- following up on recommendations from previous audit reports
- coordinating audit activities with the City's Internal Audit Division to ensure the efficient and effective use of audit resources
- coordinating audit activities with internal auditors of the City's agencies and corporations
- coordinating activities with the City's three other Accountability Officers: the Ombudsman, the Lobbyist Registrar and the Integrity Commissioner

Exhibit 2: Reports Issued in 2025

2025 Audit, Investigation, Cybersecurity and Other Reports:

1. Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving **Park Asset Management and Repair Processes**, January 2025
2. **Securing Online Confidential Committee and Board Meetings**: Sharing Best Practices at the City, and its Agencies and Corporation, January 2025
3. Audit of Toronto Shelter and Support Services – **Warming Centres and Winter Respite Sites**: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further, February 2025
4. Audit of the **Toronto Transit Commission's Non-Union Workforce Planning** and Management, March 2025
5. Audit of Transportation Services: Improving **Utility Cut Permit and Inspection Processes**, June 2025
6. Audit of the City's **Low Dollar Value Purchases**: Increasing Efficiency and Cost Savings While Balancing Other Procurement Objectives and Maintaining Compliance, June 2025
7. **FIFA World Cup 2026 – Toronto: Governance Lessons Learned** for Bidding and Planning to Host Future Mega Events, June 2025
8. **Fraud Investigation** Involving Multiple City of Toronto Electricity Accounts, June 2025
9. **2025 Winter Maintenance Program** Follow-Up: Status of Auditor General's Previous Recommendations, June 2025
10. **Toronto Police Service IT Infrastructure: Cybersecurity** Assessment and Follow-up of Previous Recommendations, June 2025
11. Audit of Toronto Water: **Stormwater and Wastewater Contract Management**, October 2025
12. **Cybersecurity Audit of Exhibition Place** – Phase One: Physical Security, User Access Management and Staff Training, November 2025

2025 Recommendation Follow-up Reports:

1. Auditor General's **2025 Consolidated Follow-up Report** Status of Outstanding Recommendations for City Divisions, Agencies and Corporations, June 2025
2. Reports to the Boards of Toronto Community Housing Corporation ("TCHC") and Toronto Seniors Housing Corporation on the **TCHC 2025 Follow-up** – Status of Previous Auditor General's Recommendations, June 2025

Exhibit 3: How Auditor General’s Recommendations Benefit the City

The following table provides examples of how our audits lead to non-financial or non-quantifiable benefits to the City.

Common Theme: Non-Financial Benefit	Report
<p>Strengthening accountability and delivering on objectives and expected outcomes</p> <p>(e.g., supporting achievement of City priorities like providing quality, safe, affordable housing to households in need; enhancing the effectiveness of how those in need of housing assistance are served)</p>	<ul style="list-style-type: none"> • Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand while Improving Financial Accountability to Stretch Dollars Further (2025) • Audit of the Toronto Transit Commission’s Non-Union Workforce Planning and Management (2025) • Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System (2024) • Toronto Police Service – Audit of 9-1-1 Public Safety Answering Point Operations (2022) • Review of Toronto Police Service – Opportunities to Support More Effective Responses to Calls for Service (2022) • Part 1 of the Audit of Emergency Shelters: A Focus on Case Management (2022) • Revisiting Legacy Rental Replacement Policies to Align them with the City’s Affordable Rental Housing Expectations (2022)

Common Theme: Non-Financial Benefit	Report
<p>Improving effectiveness and efficiency of program delivery</p> <p>Improving policies and processes to support more consistent and effective service delivery and achievement of service levels</p> <p>Improving efficiency of processes by leveraging technology</p> <p>More effective and efficient operations and/or use of resources</p>	<ul style="list-style-type: none"> • Audit of Transportation Services: Improving Utility Cut Permit and Inspection Processes (2025) • Audit of Parks Branch Operations – Phase 2: Supporting Vibrant Parks by Improving Park Asset Management and Repair Processes (2025) • Audit of the City's Low Dollar Value Purchases: Increasing Efficiency and Cost Savings While Balancing Other Procurement Objectives and Maintaining Compliance (2025) • Audit of Parks Branch Operations – Phase One: Improving Oversight of Day-to-Day Maintenance Helps to Ensure City Parks are Beautiful, Clean and Safe (2024) • Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes (2024) • Toronto Paramedic Services – Rising Response Times Caused by Staffing Challenges and Pressures in the Healthcare System (2024) • Toronto Building Division: Audit of Intake and Plan Review of Applications for Building Permits (2024) • Building Better Outcomes – Audit of Toronto Building's Inspection Function (2023) • Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Strengthening the Maintenance and Repair Program to Minimize Asset Failures and Service Delays (2023) • Toronto Police Service – Audit of 9-1-1 Public Safety Answering Point Operations (2022) • Review of Toronto Police Service – Opportunities to Support More Effective Responses to Calls for Service (2022) • Winter Road Maintenance Program – Phase 2 Analysis: Deploying Resources (2021)
<p>Enhancing governance and oversight</p> <p>Strengthening project planning and project management processes and controls to support transparency, identify and address projects risks, and ensure accountability for project delivery on budget and on time</p>	<ul style="list-style-type: none"> • FIFA World Cup 2026 – Toronto, Governance Lessons Learned for Bidding and Planning to Host Mega Events (2025) • Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the PayIt Unsolicited Proposal (2024) • City of Toronto's Modular Housing Initiative: The Need to Balance Fast Delivery with Stronger Management of Contracts and Costs (2023) • Audit of the Enterprise Work Management Solution (EWMS): Lessons Learned for Future Large Information Technology Projects (2023)

Common Theme: Non-Financial Benefit	Report
<p>Improving contract design and contract management controls</p> <p>Improving monitoring and oversight of contractors</p>	<ul style="list-style-type: none"> • Audit of Toronto Water: Stormwater and Wastewater Contract Management (2025) • Audit of Software Acquisition and Licence Management: Managing and Optimizing Value from Software Licences (2024) • Reinforcing the Importance of Openness, Fairness and Transparency in City Procurement: An Audit of the Procurement and Implementation of the PayIt Unsolicited Proposal (2024) • Winter Maintenance Program Follow-Up: Status of Previous Auditor General's Recommendations and Processes to Hold Contractors Accountable to New Contract Terms (2023) • A Review of the Procurement and Award of the Winter Maintenance Performance-Based Contracts (2023) • Toronto Community Housing Corporation - Embedding Accountability into Service Delivery: Lessons Learned from the Audit of Contracted Property Management Services (2022) • Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit (2021) • Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes (2020)
<p>Strengthening financial and administrative controls over invoicing and payments to help ensure the City is receiving value for money</p>	<ul style="list-style-type: none"> • Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand while Improving Financial Accountability to Stretch Dollars Further (2025) • Fraud Investigation Involving Multiple City of Toronto Electricity Accounts (2025) • Audit of Short-Term Rental Program and Municipal Accommodation Tax: Strengthening Bylaw Enforcement and Enhancing Municipal Accommodation Tax Collection Processes (2024) • Part 2 of the Audit of Emergency Shelters: Lessons Learned from Hotel Operations (2022) • Challenges in Contract Management - Auditor General's Review of the Corporate Real Estate Management Division (2021) • Toronto Business Improvement Areas (BIAs) Accounts Payable Fraud Investigation (2021)

Common Theme: Non-Financial Benefit	Report
<p>Improving the safety and security of City assets</p> <p>Strengthening controls that help to protect the City and its agencies and corporations in the event of a cyber attack</p>	<ul style="list-style-type: none"> • Exhibition Place – Cybersecurity Assessment Phase 1: Physical Security, User Access Management and Staff Training (2025) • Toronto Police Service IT Infrastructure: Cybersecurity Assessment and Follow-up of Previous Recommendations (2025) • Securing Online Confidential Committee and Board Meetings: sharing Best Practices at the City, and its Agencies and Corporations (2025) • Cybersecurity Audit of Toronto Community Housing and Toronto Seniors Housing Corporations – Phase One: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2024) and Phase Two: User Access Management and Event Logging (2024) • Cybersecurity Audit of Toronto Hydro: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2024) • Toronto Transit Commission Cybersecurity Audit - Phase 1: Critical IT Assets and User Access Management (2022) and Phase Two: Overall Network Security and Cybersecurity Assessment of Select Critical Systems (2023) • Cybersecurity Review: Open-Source Internet Data Intelligence Review (2022) • Auditor General's Cybersecurity Review: Toronto Fire Services Critical Systems Review (2021) and Phase 2 (2022) • Toronto Police Service Information Technology (IT) Infrastructure: Cyber Security Assessment Phase 1 (2021) • Cybersecurity Incidents at the City and its Agencies and Corporations: Integrated Incident Response Plan is Needed (2021)

About this report

This report provides information about the Auditor General's Office 2025 activities and the financial and non-financial benefits achieved by the City through its implementation of Auditor General report recommendations.

Fraud & Waste Hotline

The Auditor General's Office operates the City of Toronto's Fraud & Waste Hotline program. Our separate [2025 Annual Report on the Fraud and Waste Hotline](#) is available on our website.

The general public, City staff and anyone doing business with the City can report suspected fraud, waste, or wrongdoing involving City resources.

Phone: 416-397-STOP (7867)

Website: www.torontoauditor.ca/report-fraud

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