



Auditor General's Office

Auditor General's Office 2010 Budget

March 3, 2010

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Auditor General

AUDIT COMMITTEE APPROVED 2010 BUDGET

	(000s)
Council Approved 2009 Budget	\$ 4,381
<u>Increase for 2010</u>	
Economic Factors	2
Progression Salary Increases & COLA	61
Salary & Fringe Benefit Adjustments	<u>22</u>
Base Budget	\$ 4,466
Additional Part-Time Administrative Staff	<u>43</u>
Audit Committee 2010 Approved Budget	<u><u>\$ 4,509</u></u>
Increase of 2.9%	

ANALYSIS OF 2010 AUDIT COMMITTEE APPROVED BUDGET

	(000s)
Auditor General	\$ 4,025
External Audit Fees	<u>484</u>
Audit Committee Approved Budget	\$ <u><u>4,509</u></u>

FINAL REQUESTED 2010 BUDGET

	(000s)
Audit Committee Approved Budget	\$ 4,509
Reduction in External Audit Fees	<u>(183)</u>
Final Requested 2010 Budget	<u>\$ 4,326</u>
Decrease from 2009 Budget of \$4,381	<u>1.3%</u>

**ADJUSTMENTS TO AUDIT COMMITTEE
APPROVED 2010 BUDGET**

Recommendation:

That the 2010 budget of the Auditor General's Office as approved by Audit Committee be reduced by \$183,000 to reflect the recent results of the request for proposal for external audit services.

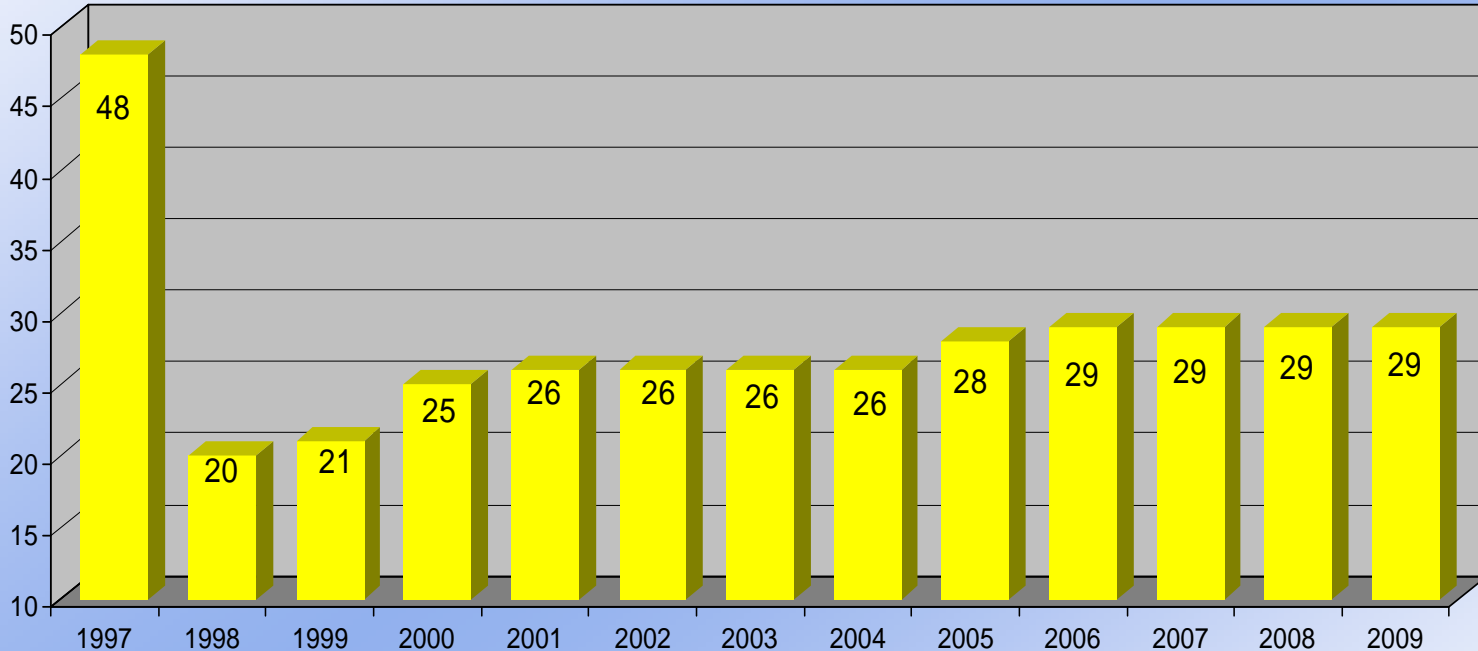
Comparison of Audit Costs

	2009 Municipal Budget (in \$000s)	2009 Audit Costs (in \$000s)	Audit Costs as a % of Municipal Budget
	\$	\$	%
Canadian Jurisdictions			
City of Toronto	8,700,000	6,988	0.08
Montreal	4,071,000	4,492	0.11
Calgary	2,416,000	2,285	0.10
City of Ottawa	2,414,000	1,940	0.08
Edmonton	1,594,000	1,936	0.12
Vancouver	857,000	750	0.09
Quebec City	981,000	1,384	0.14
U.S. Jurisdictions			
Chicago	7,898,000	5,864	0.07
San Francisco	6,531,000	7,633	0.12
Phoenix	3,735,800	3,547	0.10
San Jose	1,050,000	2,642	0.25
Philadelphia	7,389,000	8,255	0.11

ANALYSIS OF AUDIT COSTS AT THE CITY

Auditor General's Office	\$ 3,897,000
Internal Audit – City Manager	863,000
TTC Internal Audit	1,430,000
Police Service Internal Audit/Quality Assurance	<u>798,000</u>
	\$ <u><u>6,988,000</u></u>

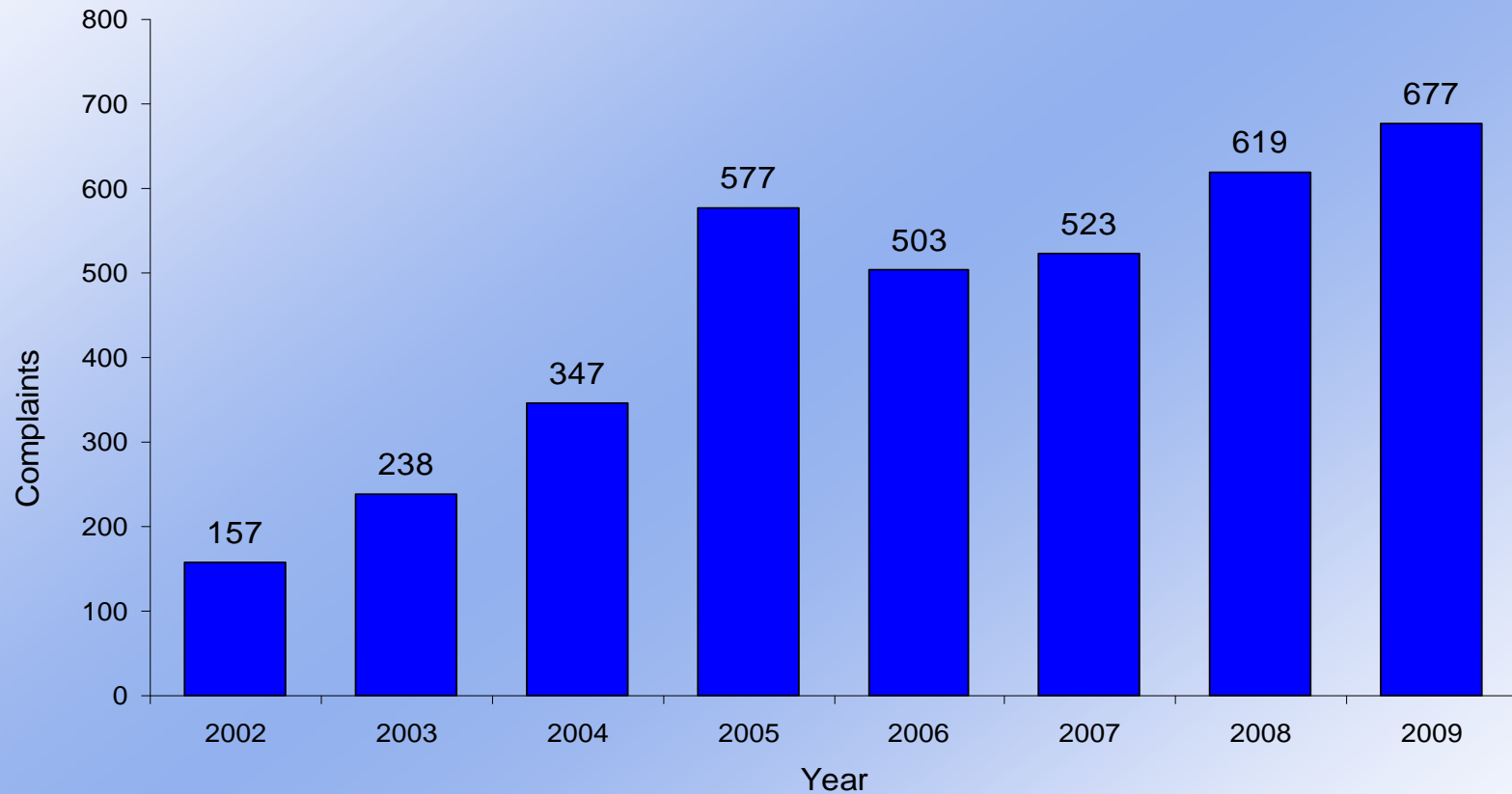
APPROVED POSITIONS 1997 – 2009



Key Points:

- Request in 2010 for 0.5 of a position
- 1997 included staff from former Metro Toronto (27), City of Toronto (16) and Scarborough (5) audit units
- Fraud Waste Hotline responsibilities commenced in 2002.

Fraud and Waste Hotline Program Number of Complaints by Year



POTENTIAL BUSINESS CASE FOR INCREASED AUDIT RESOURCES

- Mayor's Fiscal Review Panel
- Comparisons with other jurisdictions
- Predetermined audit costs in other jurisdictions
- Additional workload
 - Fraud and Waste Hotline
 - Audit Projects

IMPACT OF BUDGET REDUCTIONS

		<u>(000s)</u>
2009 Approved Budget	\$	4,381
5% Reduction		<u>(219)</u>
Adjusted Base Budget		4,162
2010 Base Budget	4,466	
Less Reduction in External Audit Fees	<u>(183)</u>	
		<u>4,283</u>
Reduction Required	\$	<u>(121)</u>

THE AUDIT PROCESS ADDITIONAL BACKGROUND INFORMATION

- Annual Budget Document
- Annual Fraud and Waste Hotline Report
- Annual Work Plan
- Annual Report on the Benefits of the Audit Process