

# Consultant Expenditures and Fair Allocation in Toronto\*

An assessment of Toronto's capital allocation

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The Canadian federal government has been under scrutiny since the widely reported ArriveCAN scandal, which brought to light a severe misappropriation of funds through contractors. In light of these events, I investigate the allocation of funds to consultants by the City of Toronto. Exploring expenditure, I find an increasing budget allocation to consultants, and a tendency to allocate to a few key consultants. I suggest future work which could lead to a more complete evaluation and a possible investigation into the bidding process.

## 1 Introduction

The CBSA (Canadian Border Security Agency) and Public Health Agency of Canada spent over \$53 Million Dollars on an app which was created using 23 subcontractors. The contract process was unfair and non-competitive, with an internal report finding that the government criteria preferred one contractor over others Canada (2024). The people of a city benefit from fair and efficient markets, as such the allocation of its tax dollars should follow a transparent and robust tender process.

In this paper we explore the City of Toronto's consultant expenditure data, sourced from Gelfand (2022). We looked for any abnormal concentration of funds, or systematic patterns that could suggest a biased tender process. We use R Core Team (2023), Wickham (2016), and Wickham et al. (2019) in the process of my analysis, and arrive to a few simple conclusions.

Through illustrative plots, we find that consultant expenditure has been growing steadily over the last few years, across a variety of verticals. We then observe the data and notice that two consultants dominate expenditure; Deloitte and Ernst & Young. We then look at

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\*Code and data are available at: [LINK](#).