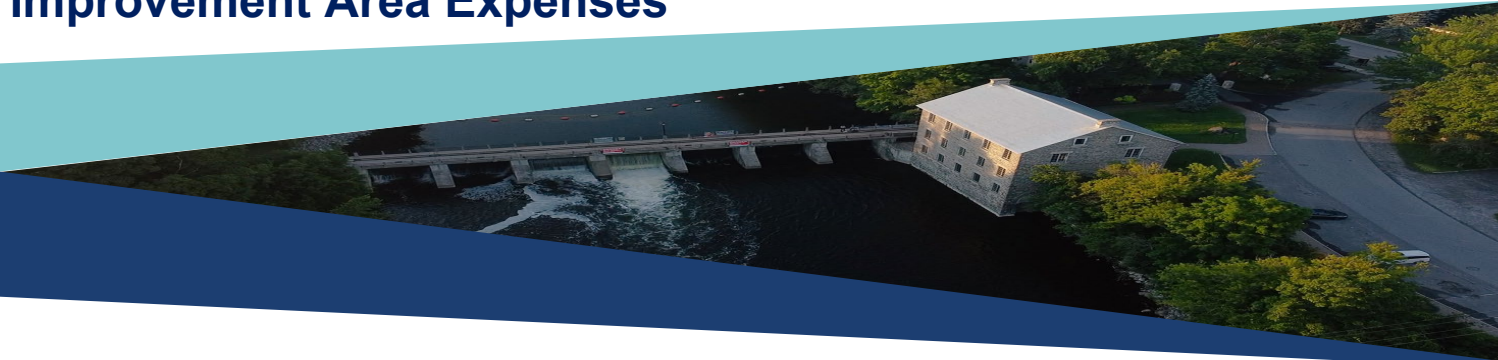


Investigation of Manotick Business Improvement Area Expenses



Office of the
Auditor General
City of Ottawa



Why we did this investigation

Through the City's Fraud and Waste Hotline (FWHL), the Office of the Auditor General (OAG) received allegations in relation to potential inappropriate expenses incurred by the Manotick Business Improvement Area (MBIA). Our office undertook an investigation to assess the concerns raised in the FWHL report and to determine whether the allegations had any merit.



What we found

The work performed highlighted a need for the MBIA to strengthen controls over the approval and reimbursement of expenses and petty cash. In several instances, there was a lack of sufficient and appropriate documentation to confirm that the expenses incurred were reasonable and directly related to MBIA business. Additionally, necessary controls over the MBIA's petty cash fund were missing and did not allow us to confirm that only expenditures incurred in the ordinary course of business were reimbursed. Ultimately, the MBIA has not developed a policy that provides sufficient guidance on the acceptable types of expenses and expectations for oversight of expenditures.

While the Board is independent and responsible for managing the affairs of its Business Improvement Area (BIA), we identified areas where the City can play a greater role in supporting BIAs and enabling strengthened expenditure management and governance.



We made seven recommendations

We issued one report to the MBIA Board with four (4) recommendations and one report to the City with three (3) recommendations to ensure that:

MBIA Board

- An updated procurement policy is established which clearly outlines:
 - Roles and responsibilities related to expense reimbursements;
 - What constitutes an acceptable expenditure;
 - Nature and dollar amount/limits of acceptable expenditures; and
 - Required supporting documentation.
- Controls over petty cash are strengthened, including the consideration of a no-cash policy.

City

- Guidance material is developed to support BIAs related to expenditure management and governance;
- BIA policies are reviewed for alignment with expected expenditure management practices; and
- Mandatory training is provided for BIA board members and staff.

For more details on these reports please visit our [website](#).

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