



**Office of the
Auditor General**
City of Ottawa

2024-2025 Audit Workplan

NOVEMBER 2023

Table of Contents

Background	1
Purpose	1
Risk-Based Audit Plan (RBAP) Process.....	1
Audit Universe.....	2
Documentation Review	2
Consultations	2
Risk Assessment and Prioritization	2
Emerging Issues	3
2024-2025 Risk-Based Audit Work Plan	3
Audits in Progress	4
New Audits Commencing in 2024-2025	5
Fraud and Waste & Other Investigatory Work.....	8
Other Significant Areas of Work	9
Audit Horizon for 2024-2025	10
Conclusion	10
Appendix A – Public Survey Consultation Result	11

Background

The Auditor General is responsible for assisting City Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in municipal operations. This is accomplished through the independent execution of audits aimed to help identify and mitigate risks, to improve the control environment and to continue to improve the efficiency and effectiveness of City operations.

As outlined in the Auditor General By-law No.2021-5, the Auditor General shall submit an annual audit plan to Council for approval. Further, By-law No.2021-5 indicates that the Auditor General, at her discretion, can prepare a longer-term audit plan for submission to City Council.

Purpose

The purpose of the 2024-2025 Audit Work Plan is to provide to the Audit Committee and to Council an overview of the work to be conducted in the fiscal years 2024 and 2025, which is in alignment with the City of Ottawa's (the City) Strategic Plan for 2023-2026.

Risk-Based Audit Plan (RBAP) Process

The Auditor General undertakes a risk-based assessment to identify audit priorities. The audits selected for inclusion have resulted from a systematic identification of all areas of significance from an audit perspective and the determination of audit project priorities by assessing criteria relating to risk and opportunities, taking into consideration inherent risks, important organizational changes, new initiatives, emerging priorities and other relevant factors. Furthermore, requests from external boards may also be taken into consideration.

The Office of the Auditor General's (OAG) risk-based assessment process consists of five distinct steps:

- Update the Audit Universe
- Documentation Review
- Consultations with Stakeholders
- Risk and Opportunities Assessment
- Project Selection and Prioritization

Each of these steps are described in further detail below.

Audit Universe

An audit universe represents the potential range of all audit activities and is comprised of a number of auditable entities. These entities include a range of programs, activities and functions which collectively contribute to the achievement of the City's strategic objectives. The audit universe was revised during the RBAP process to ensure a clear understanding of auditable entities.

Documentation Review

Documentation review consisted of reviewing the following documents:

- Enterprise-wide Risk Assessment
- The Official Plan, the City of Ottawa Strategic Plan 2023-2026, financial statements, and the 2023 Operating and Capital Budgets
- Council and Committee meeting minutes
- Past audits conducted at the City
- Audits and audit work plans from other municipalities and government agencies
- Fraud and Waste Hotline reports received in recent years.

Consultations

The RBAP process included consultations with members of Council, the Senior Leadership Team, and OAG staff members. The objective of these consultations was to obtain input on strategic and organizational objectives, risk, opportunities, and anticipated changes and challenges to the operating environment. Those consulted were asked to share information on their specific areas of responsibility as well as horizontal risks across the City, based on their experience and knowledge of operations. In addition, meetings are held with the external auditors to discuss audit coverage of high-risk areas and to minimize overlap and duplication, thus reducing the risk of audit fatigue on the City's administration. Consultations with other Auditor Generals were also conducted to identify global risks and similar areas of focus that could be leveraged.

New this year, the OAG launched a survey with the objective of seeking the public's input into the areas that Ottawa residents and business owners believe could benefit from an independent audit. Further details on the results of the survey can be found in **Appendix A**.

Risk Assessment and Prioritization

Engagements were selected and prioritized based on risk, the assessment of which was completed using information gathered from the audit universe, consultations and

documentation review. The underlying premise of a risk-based approach is that areas of higher risk require greater oversight; accordingly, in carrying out audits, greater weight is given to the examination of the governance, risk management, and controls associated with activities of higher risk. A risk-based approach enables the efficient and targeted deployment of resources and ensures the coverage of the City’s most exposed areas.

Emerging Issues

The Auditor General has also taken into consideration emerging risks as part of the development of the Audit Workplan and continues to monitor the changing landscape. Examples of emerging risks being monitored, include:



2024-2025 Risk-Based Audit Work Plan

The tables below outline the proposed audits for the 2024-2025 audit work plan, as well as a brief description of the audit objective and link to the Term of Council priorities, as presented in the City’s Strategic Plan 2023-2026. The preliminary objective provided is subject to change based on the results of the risk assessment conducted during the planning phase of the engagement. Additional projects and initiatives, requiring significant resource time, are also described within these tables. Timelines reflected below are subject to change due to our Office’s requirement to be nimble and agile as the risk landscape continuously evolves.

Audits in Progress

No.	Activity	Description /Preliminary Audit Objective	Link to Council Priorities	Timeline
1.	Audit of Affordable Housing	The objective of the audit is to assess whether the City has designed and implemented programs and structures to support its affordable housing objectives, as outlined in the 10-Year Housing and Homelessness Plan.	A city that has affordable housing and is more liveable for all	To be reported in Q1 2024
2.	Audit of the Climate Change Master Plan	The objective of the audit is to provide reasonable assurance that the City has the appropriate plans, strategies, and tools in place to support the achievement of its Climate Change Master Plan goals and commitments.	A city that is green and resilient	To be reported in Q2 2024
3.	Roads Value for Money Audit	The overall objective of the audit is to assess the management of the City's road assets in order to identify opportunities for improved economy, efficiency and effectiveness.	A city that is more connected with reliable, safe, and accessible mobility options	Commenced in Q4 2023
4.	Agile Audit of Lansdowne 2.0 Redevelopment Project	The objective of these agile audits is to provide reasonable assurance on the significant/high-risk elements of the Lansdowne 2.0 redevelopment project. Each audit sprint will be focused on a separate topic.	A city with a diversified and prosperous economy	Periodic

No.	Activity	Description /Preliminary Audit Objective	Link to Council Priorities	Timeline
5.	Agile Audit of Zero-Emission Buses (ZEB)	The objective of these agile audits is to provide reasonable assurance on the significant/high-risk elements of the ZEB project. Each audit sprint will be focused on a separate topic.	A city that is green and resilient	Periodic

New Audits Commencing in 2024-2025

City Departments

No.	Activity	Description/ Preliminary Audit Objective	Link to Council Priorities	Timeline
6.	Purchasing Card Audit (Pre-approved 2020 Audit Work Plan)	The objective of this audit is to assess whether the City has policies and processes to effectively manage purchasing card activities, including the prudent use of funds.	N/A – Link to OAG mandate on stewardship of public funds	To commence Q4 2023/ Q1 2024
7.	Audit of Paramedic Services	The objective of this audit is to assess the efficiency and effectiveness of paramedic service delivery in the City of Ottawa.	A city that has affordable housing and is more liveable for all	To commence Q1/Q2 2024
8.	Agile Audit of Light-Rail Transit (LRT)	The objective of these audits is to provide reasonable assurance on the significant/high-risk elements related to the various LRT stages. Each	A city that is more connected with reliable, safe, and accessible mobility options	To commence Q2/Q3 2024

No.	Activity	Description/ Preliminary Audit Objective	Link to Council Priorities	Timeline
		audit sprint will be focused on a separate topic.		
9.	Audit of the Development Review Process	The objective of this audit is to assess the efficiency and effectiveness of the City's development review process.	A city that has affordable housing and is more liveable for all	To commence Q2/Q3 2024
10.	Housing & Homelessness Services Audit	The objective of this audit is to assess whether the City's programs and services effectively support those at risk of or experiencing homelessness to obtain housing and supports needed to remain housed.	A city that has affordable housing and is more liveable for all	To commence Q3/Q4 2024
11.	Automated Speed and Red-Light Camera Enforcement Program Audit	The objective of this audit is to assess the efficiency and effectiveness of the automated speed and red-light camera program.	A city that is more connected with reliable, safe, and accessible mobility options	To commence Q3/Q4 2024
12.	Audit of the Corporate Diversity and Inclusion Plan	The objective of this audit is to provide reasonable assurance on the progress made by the City towards the achievement of the goals outlined in the Corporate Diversity and Inclusion Plan.	A city with a diversified and prosperous economy	To commence Q4 2024/Q1 2025

No.	Activity	Description/ Preliminary Audit Objective	Link to Council Priorities	Timeline
13.	Solid Waste Master Plan Audit	The objective of the audit is to determine if the City effectively manages solid waste operations to achieve value-for-money and protect the public interest.	A city that is green and resilient	To commence in 2025
14.	OC Transpo Route Planning and Scheduling Audit	The objective of this audit is to assess efficiency and effectiveness of OC Transpo's route planning and scheduling process.	A city that is more connected with reliable, safe, and accessible mobility options	To commence in 2025

Local & External Boards

No.	Activity	Description/Preliminary Audit Objective	Link to Council Priorities	Timeline
15.	Ottawa Police Service – Risk Assessment	The OAG will conduct an overall risk and opportunities assessment of the Ottawa Police Service and develop an independent audit work plan in order to identify and prioritize opportunities to more effectively and efficiently deliver police services in the City of Ottawa.	N/A	To commence Q1 2024

Fraud and Waste & Other Investigatory Work

No.	Activity	Description	Timeline
16.	Fraud and Waste Hotline Administration	Our Office will continue to be responsible for the administration of the City's Fraud and Waste Hotline which is available for employees and the public as part of the City's Fraud and Waste Policy. Our Office will review issues raised through the Hotline and will present the reports of those Reviews and Investigations to Audit Committee and City Council. The next annual Fraud and Waste Hotline report will be tabled in Q1 2024.	Ongoing
17.	Fraud and Waste Hotline Program Review & Awareness Campaign	<p>Our Office, in collaboration with the City Manager's Office (as the owner of the program), will review the existing Fraud and Waste Policy and related procedures for potential areas for improvement and efficiencies.</p> <p>Subsequent to this review, our Office, in collaboration with the City Manager's Office, will work towards designing an awareness campaign and related activities to increase employee and resident awareness about the program and its intended purpose.</p>	2024-2025
18.	Request for Proposal - Fraud and Waste Hotline Provider	The OAG leverages the services of an independent third party to maintain a web-based portal to enable the administration and reporting of complaints by users of the City of Ottawa's Fraud and Waste Hotline and to provide the ongoing operation of a call centre for the Hotline. The existing 5-year contract expires as of 31 December 2024. As such, the OAG will work with Procurement to launch a request for proposal and to establish a new contract.	Q4 2024

No.	Activity	Description	Timeline
19.	Investigations related to allegations of fraud or other wrongdoing	Larger investigations may arise as a result of complaints raised through the Fraud and Waste Hotline or through the conduct of approved audits.	Ongoing

Other Significant Areas of Work

No.	Activity	Description	Timeline
20.	Follow-up audit procedures	Based on available resources, the OAG will conduct follow-up procedures to ensure that recommendations made in previous issued reports and action plans developed by management are implemented in a reasonable timeframe. The status of the follow-up procedures will be reported twice annually. The next Follow-Up Report will be tabled in Q1 2024.	Semi-Annually
21.	Quality Assurance and Improvement Program	As part of the OAG's requirement to comply with the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, we will continue to conduct ongoing monitoring of the performance of the Office's audit activity through periodic self-assessments. The results of these self-assessments, in addition to, professional education requirements, evaluation of stakeholder relationships and additional performance metrics will be reported to the Audit Committee as part of the Auditor General's Annual Report.	Annually
22.	OAG Website	The OAG launched its website in June 2022. In an effort to continue to improve accessibility for	2024

No.	Activity	Description	Timeline
		those navigating our website, our site will be undergoing an upgrade in 2024.	
23.	Audit Software	The OAG will be conducting preliminary information gathering to identify the feasibility of implementing audit software to facilitate and streamline the Office’s audit processes and quality assurance requirements.	2024

Audit Horizon for 2024-2025

The above-mentioned Audit Work Plan is based on identified risk and available resources. Flexibility has been incorporated into the Audit Work Plan to ensure the Office of the Auditor General is able to execute work under its mandate, has the ability to quickly shift priorities in line with the changing landscape, conduct high-risk investigations as the need arises as well as manage the burden placed on the City’s administration. Engagements being considered for potential inclusion in the 2024-2025 Audit Work Plan, should time permit or should priorities within the City and the OAG’s Office shift, include:



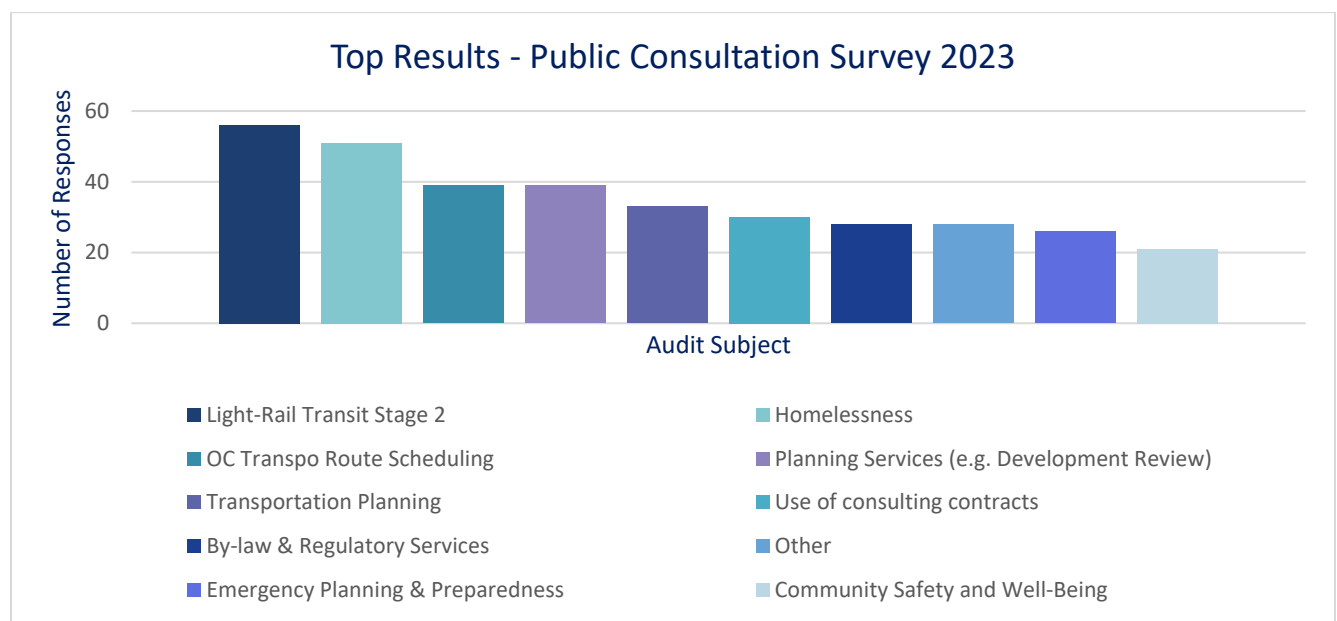
Conclusion

The audit selection process has been based on our assessment of risks, available resources and the need to be agile in our current environment. The plan is flexible to allow the Auditor General to respond to emerging issues. The audits outlined above aim to help the City’s administration mitigate risks as well as improve accountability, the control environment and the efficiency and effectiveness of City operations.

Appendix A – Public Survey Consultation Result

The OAG launched a public consultation survey in the summer of 2023 with the objective of seeking the public’s input into the areas that Ottawa residents and business owners believed could benefit from an independent audit. We received roughly 200 responses to the survey in addition to emails and calls placed to our Office. The top 10 areas for which respondents indicated a desire for an audit included:

1. Light-rail stage 2
2. Homelessness
3. OC Transpo Route Scheduling
4. Planning Services
5. Transportation Planning
6. Use of Consulting Contracts
7. By-law & Regulatory Services
8. Emergency Planning and Preparedness
9. Other (e.g., Lansdowne 2.0, Ottawa Police Services)
10. Community Safety & Well-being



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The **Fraud and Waste Hotline** is a confidential and anonymous service that allows City of Ottawa employees and members of the general public to report suspected or witnessed cases of fraud or waste 24 hours a day, seven days a week.

www.ottawa.fraudwaste-fraudeabus.ca / **1-866-959-9309**