



2024-2027 **STRATEGIC PLAN**



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

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Strategic Overview

Our Mandate

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 Office of the Auditor General (OAG) is independent of management and has the authority to conduct financial (excluding attest), compliance, and performance audits of the following:

- all programs, activities, and functions of all City departments and agencies, and of the offices of the Mayor and Members of Council;
- local boards of the City;
- municipally controlled corporations;
- grant recipients; and,
- any other agencies, boards, commissions, and corporations as Council may from time to time create or identify.

Our Vision

To be recognized as a knowledgeable, collaborative, and respected independent leader in governance, control, and risk management and in building public trust in our municipal government.

Our Critical Success Factors

For the OAG to be successful in achieving its vision and mission, the following key success factors have been identified:

- Public Perception/Trust – Be perceived by the Public, the City Administration and Councillors as an independent and trusted accountability office.
- Positioning - Ensure that the OAG is strategically positioned to effectively contribute to organizational success (i.e. add value), whilst maintaining independence from the City's Administration and its stakeholders.
- Relationships with Stakeholders – Understand that audit staff must conduct themselves with professionalism, courage, honesty, integrity, and diplomacy.
- Effective Processes – Perform work in accordance with professional standards and continuously improving our audit processes to more efficiently and effectively deliver value added services to our stakeholders.

- Talent management – Possess the appropriate skill set to support in the achievement of the audit work plan.
- Reporting – Communicate concise, balanced, and objective audit/investigation reports that meet the needs of a diverse set of stakeholders in a timely manner.

Our SWOT Analysis

The aim of a strengths, weaknesses, opportunities, and threats (SWOT) analysis is to identify the key internal (strengths and weaknesses) and external factors (opportunities and threats) that are important to achieving the strategy. For details on the results of the SWOT analysis performed, please refer to *Appendix A*.

OAG'S Effectiveness Framework

For the OAG to add value and be highly effective, it has developed and implemented a mix of strategies to address three interrelated dimensions providing a strong framework for a comprehensive strategic plan:

1. Addressing stakeholder needs and expectations effectively;
2. Operating core processes in a highly effective manner; and,
3. Conforming to Institute of Internal Auditors (IIA) Global Internal Audit Standards (Standards) and any applicable regulatory requirements.



Stakeholder Expectations

The first dimension of the OAG's Effectiveness Framework is that of identifying and addressing stakeholder needs. The OAG's stakeholders include the Audit Committee and Council (as oversight bodies), the City's Administration, the residents and business owners of Ottawa as well as City of Ottawa partners. The following are key stakeholder expectations that the OAG has identified:

- Stakeholders expect that we have the necessary embedded quality assurance processes in our audit and investigation work (Quality Assurance).
- Stakeholders believe it is critical to identify key, strategic risks (Risk).

- Stakeholders expect that we conduct our work in an efficient manner (Efficiency)
- Stakeholders expect value-added recommendations that assist the Administration and Council in meeting the City’s strategic objectives (Value).
- Stakeholders expect that OAG staff possess the required knowledge to conduct its mandate (Skill Set).
- Stakeholders expect open and transparent communication (Communication).

Core Processes

The second dimension of the OAG’s Effectiveness Framework is our core processes. For our core processes to work well, they must effectively address stakeholder needs. They must also conform with the IIA Standards in a rapidly changing environment. We have identified the following **core processes**:



Our Standard of Work

The third dimension of the OAG’s Effectiveness Framework encompasses the Standards and regulatory requirements that form the basis for what work we perform and how it is performed. OAG staff performs its audit work in accordance with IIA Standards. The IIA issued new Standards that took effect on January 9, 2025. We have conducted a significant review of these new Standards and have identified the policies and processes that required modification to ensure alignment. The Standards require that an external quality assurance review be performed every five (5) years. The OAG will be undergoing such an assessment in 2026. Furthermore, the Auditor General’s mandate and authority are laid out in both the [Municipal Act, 2001](#) and in further detail within the [Auditor General By-law No.2021-05](#).

Future State

The OAG has considered how its core processes must change/evolve to achieve its vision and conform with the Standards and regulatory requirements. Based on the result of the SWOT analysis (refer to [Appendix A](#)) and three interrelated dimensions of the framework discussed above, key strategic initiatives (refer to [Appendix B](#)) have been identified that the OAG believes will have a significant impact on achieving its vision and mandate. The OAG will review its strategic plan and progress against it on periodic basis. Should the City’s

strategies, risks, structure or oversight body experience significant changes, the Auditor General will review the impact of those changes on this plan.

Appendix A – SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Defined mandate, vision, and charter. • Defined audit universe. • Independent and objective organization-wide perspective. • Staff adaptable to change and positive attitude. • Diverse skills, backgrounds, and business knowledge of staff. • Formalized audit and follow-up processes. • Comprehensive risk assessment mapped to organization’s strategy/priorities. • Identification of emerging risks. • Established quality assurance and improvement program. • Viewed as a value-added function. • Strong relationships with other municipal audit shops to share best practices and leverage benchmarking opportunities. 	<ul style="list-style-type: none"> • Talent shortage – difficulty recruiting skilled auditors with performance audit experience. • Lack of specialized skill set in areas such as information technology (IT), cybersecurity, data analytics, Artificial Intelligence (AI), and more complex forensic investigations. • Staff development model not formally documented. • Long audit cycle time. • Inefficient processes compared to our peers (e.g. Toronto, Calgary, etc.) due to a lack of audit and case management software. • Dependence on IT Services for investigation related assistance such as email extraction and keyword search due to a lack of internal access to the information and a lack of technical expertise.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Leverage our Standing Offer to contract for staffing or specialized skill gap. • Leverage HR, professional associations, and our network to aid in filling vacancies. • Expanding use of technology and tools to improve the efficiency of certain processes and aid in providing timely and relevant reporting. • Leverage software already in-use by the City to supplement in-place of more traditional audit software that is costly. 	<ul style="list-style-type: none"> • The need to adapt to significant changes to the Standards. • Limited City resources impacts the type of recommendations that the OAG can issue. • Number and scope of audits/investigations constrained by budgets, staffing, and governance. • Emerging and changing risks increases skill gaps. • The need to adapt to higher stakeholder expectations. • Political landscape.

Appendix B – Strategic Initiatives

Core Process	Area for Continuous Improvement	Strategic Initiative	Link to Stakeholder Expectations or Standard	Timing	Measurement (where applicable)
Our People	1. Multiple vacancies in the department impacting overall output and placing additional pressure on staff.	1. Fill vacancies 1.1. Develop staff internally through stretch assignments and training for promotion opportunities. 1.2. Work with Human Resources and external recruitment agencies, if required, to bring qualified staff from outside the organization. 1.3. Review OAG organizational structure, job descriptions and pay scales for comparability with similar roles across Ontario and Canada to ensure the OAG is offering competitive salaries for the required roles.	Quality Assurance & Efficiency	Q2 2026	Number of staff; vacancies filled
	2. Shortage of expertise in the team (e.g. performance audit, data analytics, AI)	2. Develop staff expertise in-house 2.1. Develop training plans for each team member linked to addressing identified skill gaps. 2.2. Provide departmental-wide training on key topics to increase breadth of knowledge. 2.3. Where specialized knowledge is required, outsource this expertise with appropriate knowledge sharing and coaching of internal staff, where applicable.	Skill Set & Quality Assurance	Q2 2025	Number of Skill Gaps Closed (with emphasis placed on data analytics and performance audit)
Our Processes	3. Significant changes to the Standards resulting in gaps in OAG Policy and Processes.	3. Update OAG Policies and Procedures to align with the new Standards as required under the <u>Auditor General By-Law No. 2021-5</u> .	Quality Assurance	Q1 2025	Completion of updates & Generally Conforms on 2026 External Assessment

Core Process	Area for Continuous Improvement	Strategic Initiative	Link to Stakeholder Expectations or Standard	Timing	Measurement (where applicable)
	4. The Standards required that an external assessment be completed of the audit function every 5 years.	4. Work with the Chair and Vice-Chair of the Audit Committee and the Chief Procurement Officer to procure the independent services of a firm to conduct an external validation of our internal assessment. Report back to the Audit Committee on the results.	Quality Assurance	Q4 2026	Rating provided as part of the external assessment report.
	5. Areas for continuous improvement identified from audit level and senior leadership level surveys.	5. Seek feedback after each audit and at year-end from management to continue to understand how we can better improve our internal processes and collaboration. Current initiatives include: 5.1. Collaborating with management to raise awareness of the value the work of the OAG provides; 5.2. Continuing to work collaboratively to ensure recommendations issued are operationally feasible.	Quality Assurance, Risk, Efficiency, Value	Ongoing	Survey Results
	6. Significant audit cycle time	6. Increase the number of smaller-scoped audits to provide more specific, detailed recommendations in a timely manner.	Risk, Efficiency, Value	Ongoing	To be demonstrated in each work plan or updated work plan
Tools and Technology	7. Lack of audit/case management software impacting efficiency in processes/reporting	7. Work with IT to fully utilize SharePoint features and add on tools to automate approvals, standardize file structures, and ensure all required steps in an audit/investigation have been completed all while minimizing costs.	Efficiency, Quality Assurance	Q2 2025	Completion of implementation of SharePoint features and approval workflows for audits, investigations, fraud and waste hotline and follow-up reporting, where deemed feasible

Core Process	Area for Continuous Improvement	Strategic Initiative	Link to Stakeholder Expectations or Standard	Timing	Measurement (where applicable)
	8. Lack of technical expertise in-house to effectively utilize data analytics and AI in our audits	8. Train staff and continue to leverage consultants to utilize data analytics software and AI in our audits, investigations, and ongoing monitoring of the Office.	Efficiency, Quality Assurance	Q4 2025 and ongoing	Use of data analytics or AI in at least 25% of our audits/investigations.