

Subject: Office of the Auditor General (OAG) – Audit Charter Update

File Number: ACS2025-OAG-BVG-015

Report to Audit Committee on 28 November 2025

and Council 10 December 2025

Submitted on November 27, 2025 by Nathalie Gougeon, Auditor General

Contact Person: Nathalie Gougeon, Auditor General, Office of the Auditor General

(OAG)

613-580-9602, oag@ottawa.ca

Ward: Citywide

Objet : Bureau de la vérificatrice générale (BVG) – Mise à jour de la Charte de vérification

Numéro de dossier : ACS2025-OAG-BVG-015

Rapport présenté au Comité de la vérification

Rapport soumis le 28 novembre 2025

et au Conseil le 10 décembre 2025

Soumis le 2025-11-27 par Nathalie Gougeon, Vérificatrice générale

Personne ressource : Nathalie Gougeon, Vérificatrice générale, Bureau de la

vérificatrice générale (BVG)

613-580-9602, bvg@ottawa.ca

Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Audit Committee recommend that Council receive the OAG update on the Audit Charter.

RECOMMANDATION(S) DU RAPPORT

Que le Comité de la vérification recommande au Conseil de prendre

connaissance de la mise à jour de la Charte de vérification par le BVG.

BACKGROUND

The Auditor General By-law No. 2021-5 establishes the position and duties of the Auditor General (AG) of the City of Ottawa, including statutory powers. It outlines, at a high level, the responsibilities, accountability and reporting requirements of the OAG.

Section 6, item 5 of the By-law states that “the Auditor General shall establish such protocols and procedures that are necessary for the conduct of such audits, consistent with the Institute of Internal Auditors’ (IIA) International Standards for the Professional Practice of Auditing and changes to these standards from time to time, except requirements applicable to consulting services.” The Standards include principles and requirements for undertaking professional auditing and for evaluating audit performance.

In 2024, the IIA released its new Global Internal Audit Standards (“the new Standards”), which take effect in January 2025. The OAG assessed its policies and practices against the new Standards and implemented changes to ensure alignment with them.

The new Standards required the development of an audit charter: a formal document including the audit function’s mandate, organizational position, reporting relationships, scope of work, types of services and other specifications. While the OAG created its audit charter in 2021, it was revised in 2024 to align with the new Standards and was subsequently approved in December 2024.

DISCUSSION

Annual Audit Charter Update

As mentioned in the background section of this report, the Auditor General By-law establishes the position and duties of the AG and further outlines, at a high level, the responsibilities, accountability and reporting requirements of the OAG. However, the By-law does not outline more specific requirements regarding independence, conflicts of interest and reporting on the OAG’s effectiveness to the Audit Committee, which are required as part of the IIA Standards. As such, in 2021, the OAG created an audit charter to supplement the By-law and ensure that all aspects of the IIA Standards were covered and communicated to the Audit Committee. On May 25, 2021, the Audit Committee recommended that Council approve the OAG’s audit charter (ACS2021-OAG-BVG-005). Council subsequently approved the audit charter on June 9, 2021.

The Auditor General committed to performing an annual review of the Charter to ensure that it continuously reflects the IIA Standards. Due to the introduction of the new Standards, significant changes to the charter were needed in 2024. The OAG leveraged the IIA's model audit charter for the public sector as a starting point and customized it to reflect the OAG's unique operating environment. It should be noted that in some cases, the *Municipal Act, 2001* or the Auditor General By-law 2021-5 overlap with and/or supersede the contents of the model audit charter, providing greater assurance that certain requirements (e.g., with respect to Auditor General independence) are met. The Audit Charter was approved by Council in December 2024.

2025 Update

The OAG performed an annual review of the Audit Charter in 2025. As a result of this review, the Auditor General is not recommending any changes to the Audit Charter at this time.

You can view the OAG's [Audit Charter](#) on our website.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

LEGAL IMPLICATIONS

There are no legal implications associated with this report.

CONSULTATION

As this is considered an internal administrative matter, no public consultation was undertaken.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

SUPPORTING DOCUMENTATION

N/A

DISPOSITION

The Office of the Auditor General will continue to review the Audit Charter on an annual basis and communicate any future required changes to the Audit Committee.