



Draft **BUDGET** 2022

**Pathway to recovery:
Investing in our people
and communities**

Audit Committee

Tabled November 3, 2021



2021-039_03

Table of Contents

Audit Committee	
Service Area Summary	1
Operating Resource Requirement	2
Operating Analysis.....	3
Explanatory Notes	4

Office of the Auditor General

2022 Service Area Summary

The mandate of the Office of the Auditor General is to carry out audits of City of Ottawa operations and to provide City Council with independent information, advice and assurance to help hold the City to account for its stewardship of public funds.

Programs/Services Offered

The services provided by the Auditor General include

- Carry out audits on City departments and/or Boards: Financial audits (except annual attest audit); Performance (value-for-money) audits and Compliance audits
- Administration of City's Fraud and Waste Hotline for employees and the public as part of Council's policy on Fraud and Waste
- In consultation with the City Solicitor, carry out investigations of any suspected acts of fraud, misappropriation or other similar irregularity in accordance with the Fraud and Waste Policy

External Audit Fees

2022 Service Area Summary

The external audit includes the examination of the consolidated financial statements of the City, the financial statements of each local board and municipal entity, other funds and entities, to the degree necessary to express an audit opinion on such statements.

Programs/Services Offered

The Corporate Finance Service Area is responsible for the coordination of external audit services, which include:

- Audit and audit related services including expressing an opinion and report to the Audit Committee on the results of the consolidated financial statement audit and financial information of the City of Ottawa related entities and programs in accordance with municipal or other requirements
- Issue written communications to Management and Audit Committee describing any significant deficiencies in internal controls and addressing matters that are required to be communicated under professional standards

City of Ottawa
 Audit Committee - Operating Resource Requirement
 In Thousands (\$000)

	2020	2021		2022	\$ Change over 2021 Budget
	Actual	Forecast	Budget	Estimate	
Expenditures by Program					
Office of the Auditor General	2,071	2,161	2,161	2,437	276
External Audit Fees	445	398	398	458	60
Gross Expenditure	2,516	2,559	2,559	2,895	336
Recoveries & Allocations	-189	-170	-170	-170	0
Revenue	0	0	0	0	0
Net Requirement	2,327	2,389	2,389	2,725	336
Expenditures by Type					
Salaries, Wages & Benefits	1,411	1,437	1,437	1,713	276
Overtime	0	0	0	0	0
Material & Services	1,102	1,115	1,115	1,175	60
Transfers/Grants/Financial Charges	0	0	0	0	0
Fleet Costs	0	0	0	0	0
Program Facility Costs	0	0	0	0	0
Other Internal Costs	3	7	7	7	0
Gross Expenditures	2,516	2,559	2,559	2,895	336
Recoveries & Allocations	-189	-170	-170	-170	0
Net Expenditure	2,327	2,389	2,389	2,725	336
Revenues By Type					
Federal	0	0	0	0	0
Provincial	0	0	0	0	0
Own Funds	0	0	0	0	0
Fees and Services	0	0	0	0	0
Fines	0	0	0	0	0
Other	0	0	0	0	0
Total Revenue	0	0	0	0	0
Net Requirement	2,327	2,389	2,389	2,725	336
Full Time Equivalents			9.00	11.00	2.00

City of Ottawa
 Audit Committee - Operating Resource Requirement Analysis
 In Thousands (\$000)

	2021 Baseline			2022 Adjustments				2022	\$ Change over 2021 Budget
	Forecast	Budget	Adj. to Base Budget	Maintain Services	Growth	COVID-19	User Fees & Revenues	Estimate	
Expenditures by Program									
Office of the Auditor General	2,161	2,161	0	65	211	0	0	2,437	276
External Audit Fees	398	398	0	60	0	0	0	458	60
Gross Expenditure	2,559	2,559	0	125	211	0	0	2,895	336
Recoveries & Allocations	-170	-170	0	0	0	0	0	-170	0
Revenue	0	0	0	0	0	0	0	0	0
Net Requirement	2,389	2,389	0	125	211	0	0	2,725	336
Expenditures by Type									
Salaries, Wages & Benefits	1,437	1,437	0	65	211	0	0	1,713	276
Overtime	0	0	0	0	0	0	0	0	0
Material & Services	1,115	1,115	0	60	0	0	0	1,175	60
Transfers/Grants/Financial Charges	0	0	0	0	0	0	0	0	0
Fleet Costs	0	0	0	0	0	0	0	0	0
Program Facility Costs	0	0	0	0	0	0	0	0	0
Other Internal Costs	7	7	0	0	0	0	0	7	0
Gross Expenditures	2,559	2,559	0	125	211	0	0	2,895	336
Recoveries & Allocations	-170	-170	0	0	0	0	0	-170	0
Net Expenditure	2,389	2,389	0	125	211	0	0	2,725	336
Percent of 2022 Net Expenditure Budget			0.0%	5.2%	8.8%	0.0%	0.0%	14.1%	
Revenues By Type									
Federal	0	0	0	0	0	0	0	0	0
Provincial	0	0	0	0	0	0	0	0	0
Own Funds	0	0	0	0	0	0	0	0	0
Fees and Services	0	0	0	0	0	0	0	0	0
Fines	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0	0	0	0
Percent of 2022 Revenue Budget			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Net Requirement	2,389	2,389	0	125	211	0	0	2,725	336
Percent of 2022 Net Requirement Budget			0.0%	5.2%	8.8%	0.0%	0.0%	14.1%	
Full Time Equivalents (FTE's)	9.00	9.00	0.00	0.00	2.00	0.00	0.00	11.00	2.00
Percent of 2022 FTE's			0.0%	0.0%	22.2%	0.0%	0.0%	22.2%	

City of Ottawa
Audit Committee - Operating Resource Requirement Explanatory Notes
In Thousands (\$000)

2021 Forecast vs. Budget Variance Explanation	Surplus / (Deficit)		
	Expense	Revenue	Net
No significant variances to report.	0	0	0
Total Surplus / (Deficit)	0	0	0

2022 Pressure Category / Explanation	Increase / (Decrease)			
	Expense	Revenue	Net 2022 Changes	FTE Impact
Maintain Services				
All programs include an adjustment for potential 2022 cost of living, increments and benefit adjustments.	26	0	26	0.00
Partial funding to help support the increasing workload associated with a significant increase in fraud and waste hotline reports, increased demand for specific and more complex audits, and increased requirements to align with audit standards.	39	0	39	0.00
Increase in Audit Fees	60	0	60	0.00
	125	0	125	0.00

2022 Pressure Category / Explanation	Increase / (Decrease)			
	Expense	Revenue	Net 2022 Changes	FTE Impact
Growth				
(2) FTEs to help support the increasing workload associated with a significant increase in fraud and waste hotline reports, increased demand for specific and more complex audits, and increased requirements to align with audit standards.	211	0	211	2.00
Total Growth	211	0	211	2.00

		Increase / (Decrease)		
Total Budget Changes	336	0	336	2.00