Office of the
Auditor General
City of Ottawa

SEPTEMBER 2025

SEMI-ANNUAL REPORT
ON FOLLOW-UP
PROCEDURES

Office of the
Auditor General
City of Ottawa

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Acknowledgement

Mayor, Members of Audit Committee and Council,

I am pleased to present this report on follow-up procedures carried out by the Office of the Auditor General of the City of Ottawa. The report provides an update on the status of actions taken by management to address issues raised in past audits and investigations and the Office of the Auditor General's assessment of these actions to date.

We wish to express our appreciation for the cooperation and assistance afforded to my Office by City staff.

Respectfully,

Nathalie Gougeon, CPA, CA, CIA, CRMA, B.Comm.

Auditor General

1. Background

Consistent with the Global Internal Audit Standards of the Institute of Internal Auditors, the Office of the Auditor General's (OAG) Audit Charter requires the Auditor General to "follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results to the Audit Committee semi-annually".

The OAG provides a semi-annual report to the Audit Committee and City Council on the results of follow-up procedures performed on previously issued recommendations that have come due, and further highlight areas of significant risk resulting from recommendations that are still outstanding which warrant further attention by the City's administration. We last presented a report on follow-up procedures to the Audit Committee in **April 2025**. This semi-annual report covers the period from **January to June 2025**.

Our engagements are designed to improve management practices, enhance operational efficiency, identify possible savings, and address specific issues. Follow-up procedures are designed to evaluate management's progress on the implementation of recommendations from our reports. This report is not intended to provide an assessment of each individual recommendation. Rather, it presents our overall evaluation of progress made to date across all completed engagements.

The details of the OAG's follow-up process can be found on our website.

## 2. Overall View

Exhibit 1 depicts the overall results for all **480 recommendations** issued by the OAG since 2019. This includes recommendations that we have assessed in this report, in previous follow-up reports, and those yet to be assessed.

The OAG has assessed **384 (80%)** of these 480 recommendations, as follows:

- **368 (77%)** have been assessed and closed; and
- **16 (3%)** have been assessed as partially completed and requiring further follow-up.

Exhibit 1 - Overall Status of Recommendations Issued Since 2019

- 3%
- 20%
- 77%
- Closed
- Not Yet Assessed
- Assessed (Not Closed)
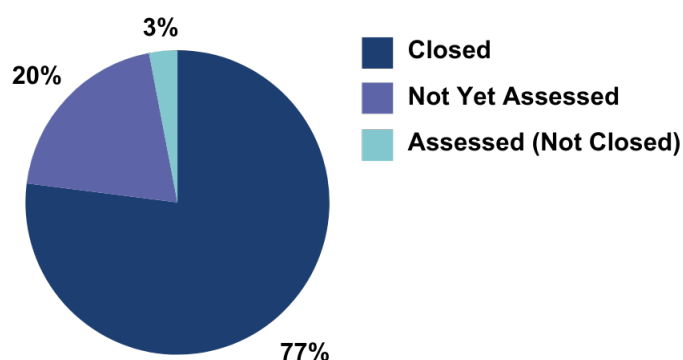
The OAG has yet to review **96 (20%)** of the total recommendations issued since 2019[1]. Further details on these recommendations are provided in Section 4 below.

3. OAG Results (Audited)

The OAG reviewed **80 recommendations** between January and June 2025; 71 of which were closed, while the other 9 remain partially complete requiring further follow up. Recommendations that are closed may include ones that have been fully actioned by management and/or recommendations that are not fully implemented where the remaining risk is considered to be low and does not warrant further follow-up by the OAG.

It should be noted that 3 follow-up reports have been issued, which are being presented to Audit Committee in parallel with this report. We have chosen to issue follow-up reports on the follow-up work completed related to the Audit of Enterprise Risk Management, Audit of Cybersecurity and Cybersecurity Investigation to provide additional insight on the status of the recommendations for these critical topics.

4. Management status (Unaudited)

Of the **96 recommendations** not yet assessed by the OAG:

- 95 recommendations are being addressed by City of Ottawa management;
- 1 recommendation is being addressed by the Ottawa Police Services Board;

Of the **95 recommendations**, management is reporting the following status as of June 30, 2025, also reflected in **Exhibit 2**:

- 42% (40) are completed and ready for OAG review;
- 34% (32) are past due; and
- 24% (23) are not yet due.

Please note these results are unaudited.

Exhibit 2 – Management Attested Status (Not yet assessed by the OAG)

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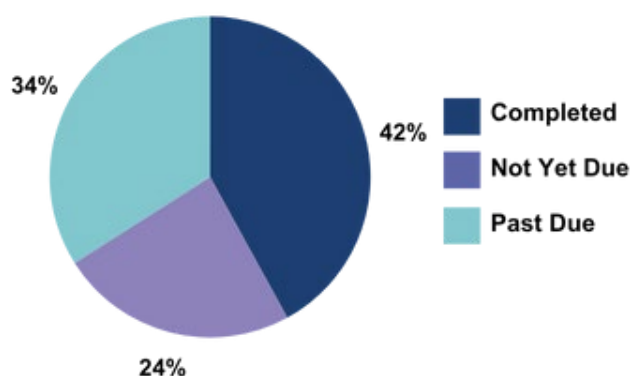
[1] There are three recommendations still outstanding from the Audit for Contract Management Practices – Springhill Landfill Site Contract (2018). Two of these recommendations have not yet been completed by management (due date of Q4 2019). The last recommendation was deemed partially complete based on the follow up work the OAG performed and management has yet to complete the work required to close the recommendation (revised due date of Q2 2022). As of June 2025, management has indicated a target completion date of Q3 2025.

5. Aging of Overdue Recommendations

Exhibit 3, depicted below, shows the length of time elapsed for each overdue recommendation. This includes 32 unassessed recommendations and 11 previously assessed but deemed 'partially complete' recommendations by the OAG.

Exhibit 3 – Aging of Overdue Recommendations (as of June 30, 2025)

Number of Recommendations Past Due

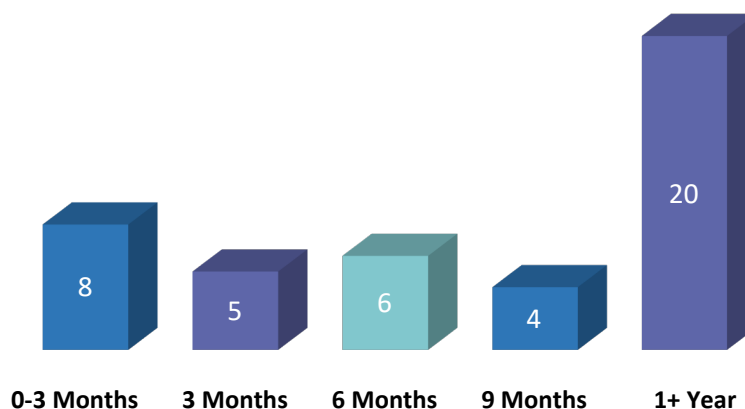| 0-3 Months	3 Months	6 Months	9 Months	1+ Year
8	5	6	4	20

Exhibit 4 indicates the specific engagements for the recommendations that are past due for one year or longer:

Exhibit 4 – Recommendations Past Due for One Year or Longer

Engagement	# of Recs. Past Due for 1 Year+
Corporate Security (2019)	1
PWESD – Contract Management (2019)	1
Facility Management (2020)	4
Cybersecurity Investigation (2022)	6
Audit of Cybersecurity (2023)	5
ZEB Sprint 3 (2023)	3
Total	**20**

The recommendations issued within the audits and investigations listed above continue to be significantly behind schedule and have not been fully implemented in accordance with Management's committed timelines. We understand that, in some cases, interdependencies exist which have prevented their completion and management has proposed a revised target date. In many cases, the recommendations were deemed complete by management but based on our follow-up work, have been assessed as partially complete and requiring additional work to close the recommendation. These items are being monitored by our Office to ensure they are completed as soon as possible for application of our follow-up procedures. Specific recommendations from this category have been flagged as high-risk in **Section 6** below.

6. High Risk Areas

While the section above flags the age of outstanding recommendations, we have identified areas of significant risk that we believe warrant further attention:

Cybersecurity Audit – In September and December 2023, we issued a Preliminary Report on Cybersecurity and an Audit Report on Cybersecurity, respectively. As of June 2025, two (2) recommendations were overdue from the Preliminary Report and three (3) were overdue from the Audit Report by more than one year. Each of these recommendations were reviewed by the OAG and assessed as partially complete with additional work expected to be completed between Q3 2025 and Q4 2026. As these recommendations are intended to address cybersecurity risks pertaining to a City-owned asset, our Office continues to closely monitor their completion.

Cybersecurity Investigation - We issued 6 recommendations in this investigation report tabled in camera in June 2022. Management committed to completing these recommendations by the end of 2022. Based on updates received from management, work is still underway to address four (4) of the recommendations. Two (2) recommendations were deemed complete by management as of December 2024 and have been assessed by the OAG as partially complete, with additional work expected to be completed by Q3 2025. As these recommendations are intended to address cybersecurity risks pertaining to a City-owned asset, our Office continues to closely monitor their completion.

Audit of Facility Management - Of the 34 recommendations issued as part of this audit report, which was tabled in November 2020, four (4) were due to be completed by September 2023 and as of June 30, 2025, were over 12 months past due. It should be noted that 1 (one) of these recommendations has been assessed as partially complete with further follow-up required. The remaining three (3) recommendations were only going to be completed once the Service-Based Asset Management Plans (ServAMP) were available, which were approved in June 2025. Management has indicated that they continue to create strategies to address the gaps identified within the ServAMPs and anticipate completing these by the end of 2025.