



Office of the
Auditor General
City of Ottawa

COUNCIL EXPENSES AUDIT

NOVEMBER 2025

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Acknowledgement

The audit was conducted by Nīewe Consulting (independent external consultants) under the supervision of Rhea Khanna, Audit Principal and Joanne Gorenstein, Deputy Auditor General and my direction. My colleagues and I would like to thank those individuals who contributed to this project.

Respectfully,



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

Introduction

The Council Expenses Audit was included in the updated 2024-2025 Audit Work Plan of the Office of the Auditor General (OAG), approved by City Council on February 26, 2025.

Background/Context

The City of Ottawa (City) 2022–2026 Term of Council began on November 15, 2022, following the municipal election held on October 24, 2022. City Council consists of the Mayor and 24 Councillors, each representing one of Ottawa’s 24 wards. Councillors are independent elected officials responsible for representing the public, shaping local priorities, and contributing to decisions on municipal policies, services and budgets.

All Members of Council (i.e. the Mayor and Councillors; “Members”) are bound by the [Code of Conduct for Members of Council \(By-law No. 2025-99\)](#) (the Code), which sets standards for ethical use of City resources. Key provisions address items such as conflict of interest and restrictions on using municipal assets for personal purposes.

Members of Council Budgets

Members of Council are supported by two (2) budgets: the Council Administration Budget and the Constituency Services Budget. These budgets are designed to enable Members to effectively carry out their statutory duties.

The **Council Administration Budget** is centrally administered by the Office of the City Clerk and supports expenses common to all Members of Council. It covers Member salaries, benefits for Members and their staff, allowances, as well as certain collective expenses, such as travel for specific conferences or participation in board and committee meetings. This budget ensures consistency in administrative support and compliance with legislative obligations under the [Municipal Act, 2001](#).



Table 1 below identifies the Council Administration Budget applicable for the current Term of Council to date, including a breakdown of allocations for key budget areas.

Table 1: Breakdown of the Council Administration Budget

Year	Annual Budget	Breakdown of Allocations for Key Budget Areas			Other ¹
		Compensation	Benefits	Business Travel, Conferences	
2022 ²	\$749,158	\$391,173	\$272,651	\$9,125	\$76,209
2023	\$6,446,388	\$3,240,497	\$2,892,840	\$73,000	\$240,051
2024	\$6,648,134	\$3,437,086	\$2,447,389	\$73,000	\$690,659
2025	\$7,115,603	\$3,504,555	\$2,847,389	\$73,000	\$690,659

A **Constituency Services Budget** is allocated annually to each Councillor and the Mayor to support the operation of their offices, constituent engagement, and participation in community activities. Each Councillor receives the same budget, while the Mayor's budget is higher, given the scope of the role. The Constituency Services Budget covers a broad range of expenses, including staff salaries, office supplies, communications, sponsorships and donations (capped at 3.5% of budget), advertising and other ward-related initiatives.

Table 2 below identifies the Constituency Services Budget allocations for each Councillor and the Mayor during the current Term of Council to date.

Table 2: Constituency Services Budget Allocations

Year	Individual Councillor Budget	Mayor's Budget
2022 ³	\$35,090	\$122,311
2023	\$282,583	\$970,646
2024	\$287,698	\$1,000,520
2025 ⁴	\$367,698	\$1,301,827

¹ Includes corporate memberships, supplies and other administrative expenses.

² The annual budget was pro-rated for 1.5 months to reflect the term beginning on November 15, 2022.

³ The annual budget was pro-rated for 1.5 months to reflect the term beginning on November 15, 2022.

⁴ 2025 Councillor and Mayor budgets were increased due to the Mid-Term Governance Review. Additional details are provided in Section 2 of this report.

Council Expense Policy

Originally approved by Council in 2013 and most recently revised in January 2025, the [Council Expense Policy](#) (Policy) provides guidance on how Members of Council may allocate their Constituency Services Budget in support of their statutory duties. The Policy applies to all Members, their staff and relevant City staff involved in the administration of these budgets.



The Policy outlines eligible and ineligible expenses, as well as administrative processes for submitting claims, using corporate cards, and managing travel expenditures. Further, the Policy specifies that any over-expenditure beyond the allocated budget is the personal liability of the Member of Council and there is no carry-over of deficits or surpluses from one year to the next.

The Policy recognizes the autonomy of Members of Council in managing their budgets and while there is some guidance on the split between compensation and office expenses, Members of Council retain flexibility in how they manage their budgets, provided all spending complies with applicable policy guidelines.

The Policy also defines roles and responsibilities for financial management and oversight and requires [public disclosure](#) of Members of Council expenses. These disclosures are published regularly on the City's website in support of its commitment to fair, transparent and responsible financial practices.

Audit Objective and Scope

The objective of this audit was to assess whether the administration of Council expenses complied with applicable policies and regulations, and represented the prudent use of public funds.

The audit covered expenses made against the Constituency Services Budget for the period from November 15, 2022 to March 31, 2025 and covered all Members of Council. This includes salaries of Members of Council office staff.

Additionally, the audit included the Council Administration Budget for the above-mentioned time period; however, the audit did not include any salaries, benefits or transportation allowances for Members of Council.

The scope of the audit did not include assessing compliance to the Code, and spending related to a municipal election as this is governed by the [Election-Related Resources Policy](#) and associated procedures.

Refer to [Appendix 1](#) for additional details on the objective, criteria, and approach to the audit. This audit was conducted in conformance with the Institute of Internal Auditors' [Global Internal Audit Standards \(2024\)](#).

Conclusion

The Policy has been designed to help guide Members of Council in spending their Constituency Services Budgets. The audit found that the Policy is clear and generally well understood by Members of Council and their staff. All expenses tested complied with the Policy, were properly approved, were supported by core documentation and were within budget limits. In addition, expenses incurred by Members of Council were in support of their respective duties and responsibilities. Council and Mayor Support Services, within the Office of the City Clerk, provide effective review and oversight of expenses.

The audit noted areas for improvement with the tools and guidelines for hiring of and salary decisions related to Councillors' office staff, the usefulness of monthly financial reports meant to support budgeting decisions, and reporting of expenditures to the public. Making these improvements would enhance the consistency and fairness of the recruitment process, ensure Members of Council have access to more relevant and timely budget information and increase spending transparency.

Additional opportunities to further strengthen the administration of the Constituency Services Budget were outlined in a management letter, which was provided directly to management.

Each finding in this report has been assigned a rating that prioritizes the associated remediation. Rating definitions are provided in [Appendix 2](#).

Value of Audit:

The recommendations from this audit have provided opportunities to strengthen public transparency, improve the consistency of Councillor staffing processes, and enhance tools available to Members of Council to support more informed decision-making.

Audit Findings and Recommendations

1. Recruitment and Selection Process of Councillor Assistants

Members of Council have full authority for the recruitment and hiring decisions of their office staff, including compensation. Councillors' staff are formally referred to as Councillor Assistants, a broad designation that applies to all employees within Councillors' offices. While the title is the same, roles and responsibilities can vary; however, most Councillor Assistants are employed to do some combination of case work, communications, community relations, finance and administration, or policy and research. Councillor Assistants are employees of the City and may be hired on temporary, full-time, or part-time basis. Councillor Assistants are not unionized, and their employment is tied to the Councillors' term of office.



The Office of the City Clerk provides a Recruitment and Hiring Toolkit with job descriptions, salary schedules, checklists, and interview tools to support Councillors in the hiring process. However, the use of these resources is optional, except for four (4) mandatory staffing requirements. Three (3) relate to interviews, covering location, required participants, and mandatory messaging sent to applicants if an interview is conducted, as approved and adopted by Council on July 15, 2020. The fourth prohibits Members from hiring family members as office staff or contracted vendors.

1.1 Limited requirements are in place for the recruitment of Councillor Assistants.

Priority Rating:
Moderate

While some staff are hired through competitive processes, Councillors may recruit via informal channels or through direct contact with a specific candidate. While this discretion is essential to allow Councillors the agility to hire appropriate staff in a timely manner as requirements arise, there are important human resources practices that are not applicable for Councillor Assistants but are for other types of City staff, such as reference or background checks.

Given Councillor Assistants have access to sensitive information and some work directly with vulnerable members of the community, the absence of these practices increases the risk that staff may be hired without appropriate screening. This creates potential reputational concerns for the City and may reduce confidence in the integrity and professionalism of Councillor offices.

RECOMMENDATION 1 – ESTABLISH RECRUITMENT AND HIRING POLICIES AND PROCEDURES FOR COUNCILLOR ASSISTANTS

It is recommended that the City Clerk work with City Council to establish Councillor Assistant recruitment and hiring policies/procedures, such as the inclusion of reference checks and background checks, based on role.

MANAGEMENT RESPONSE 1

Management agrees with this recommendation. Staff will bring forward a report in Q2 of 2026 that addresses this audit recommendation as well as other hiring matters, as described in the [2022-2026 Mid-term Governance Review](#) report. Through the Q2 2026 report, staff intend to update the Recruitment and Hiring Toolkit to include resources and recommendations regarding reference checks and background checks for certain roles.

2. Councillor Assistant Salaries

The Office of the City Clerk suggests that Councillors allocate the majority of their Constituency Services Budget to staff compensation and provides guidance on individual salaries through job description templates and suggested salary ranges. These range from entry-level Councillor Assistant positions to senior roles with strategic responsibilities. The salary ranges were developed several years ago and have only been adjusted over time for cost of living. These ranges do not reflect a structured pay scale, nor are they compulsory for Councillors to follow.

In January 2025, the Office of the City Clerk released the [Members' Constituency Services Budget and Elected Officials Remuneration Review](#) ("the MNP Review"), conducted by MNP. The MNP Review recommended implementing standardized job descriptions and salary bands, establishing a structured pay scale based on experience and performance, and conducting regular reviews to ensure Councillor Assistant compensation remains competitive. The Office of the City Clerk confirmed that work is underway to implement these changes, in collaboration with the City's Job Evaluation team. Management indicated that the intent is to provide recommendations to Council in Q2 2026, with any changes to take effect for the next term of Council.

The MNP Review also recommended increasing the Constituency Services Budget. As directed through [Motion 2025-50-14](#), Council approved an \$80,000 increase to each Councillor's budget in April 2025, with an additional \$50,000 increase scheduled for

January 2026. These adjustments represent a planned 13.6% increase in the overall budget to better support staff compensation and office operations.

2.1 Significant variances exist in salaries of Councillor Assistants across wards.

Priority Rating:
Moderate

Analysis of 2024 Councillor Assistants' compensation and interviews with Councillors directly identified significant variation in the approach to salaries across wards. This, to some extent, is because the use of the existing job descriptions and salary bands established for Councillor Assistants is optional.

Average annual salaries per full-time equivalent ranged across wards by 42.5% in 2024 (i.e. between the lowest and highest paid across all wards). These disparities are not explained by material differences in roles and responsibilities, which were found to be generally consistent across wards.

While experience and tenure may account for some variation, the extent of the differences suggests a lack of consistency in compensation practices. In addition, we noted that 46% of wards had ended 2024 with more than \$10,000 of the Constituency Services Budget unspent.

Given Councillors are personally responsible for expenses that exceed their budgets, some Councillors have opted to pay conservative salaries with the possibility of providing bonuses at year-end, depending on remaining budget. However, this can cause pay disparity. Additionally, bonuses do not contribute to an individual's pensionable earnings.

The lack of alignment in compensation practices poses a risk to recruitment and retention, as Councillor Assistants have sought more competitive opportunities elsewhere within the City's administration or outside the organization, creating challenges in maintaining experienced and skilled staff in Councillor offices.

Range of Salaries in 2024 by Job Type*

- **Case workers: \$51,223 - \$80,000**
- **Office managers: \$64,999 - \$86,528**
- **Policy and communications: \$57,148 - \$96,351**

** These figures are based on a sample of wards*

RECOMMENDATION 2 – ESTABLISH SALARY RANGES FOR COUNCILLOR OFFICE STAFF

As part of addressing the feedback from the MNP report, the City Clerk should work with Human Resources and City Council to establish a salary framework that includes role-based job descriptions and market-driven salary ranges for Councillor Assistants.

MANAGEMENT RESPONSE 2

Management agrees with this recommendation. As noted in the [2022-2026 Mid-term Governance Review](#) report, staff are undertaking various initiatives at the administrative level to address the MNP report recommendations. This includes reviewing the defined pay scale for Councillor Assistants as well as updating and standardizing job descriptions. Staff will consult Councillors in developing the updated pay scale and job descriptions prior to bringing forward a report in Q2 of 2026 that addresses this audit recommendation. Given that current Councillors' staff remain under existing contracts and terms of employment until the end of each Councillor's term, and to give staff the time required to review, develop, implement and communicate changes, staff intend for the new and updated measures to be in place for the beginning of the 2026-2030 Term of Council. This will provide for the changes and updated documentation to be rolled out at the start of the next term of Council, and for new staff contracts to be signed in accordance with the updated job descriptions, pay scales and any other related matters.

3. Financial Reports

Members of Council receive both weekly and monthly financial reports to support management of their Constituency Services Budgets. Weekly reports are automated financial system (SAP) outputs that provide detailed year-to-date transaction information organized by general ledger code. Monthly reports, prepared by Finance and Corporate Services, include a forecast of compensation based on each Member's current staffing levels and salaries. Additionally, for Councillors, the report compares actual year-to-date spending against predetermined budgets categories that are applied to all wards.

3.1 Monthly financial reports that provide budget-to-actual information are not reflective of the individual budgets of Members of Council.

Priority Rating:
Moderate

The monthly financial reports provided by Finance and Corporate Services include high-level spending categories (i.e. compensation, donations, administration and events and sponsored projects) with standard budget amounts based on suggested amounts or historical averages.

These budgeted amounts used to compare actual (or forecasted) spending do not reflect each Members' planned spending allocations. Additionally, we learned, that these categories are not detailed enough to allow Members to effectively track expenditures against their individual budgets.

As a result, Members of Council reported that the monthly reports are of limited use in managing their budgets and many rely on their own tools and spreadsheets for financial tracking.

Without reports that reflect Members' planned budgets and provide sufficient category detail, there is a risk of inaccurate or inefficient tracking, misinterpretation of financial position, and reduced ability to plan and manage expenses effectively.

RECOMMENDATION 3 – ESTABLISH BUDGETS FOR EACH MEMBER THAT ALIGN WITH PLANNED EXPENDITURES

The City Clerk, in conjunction with the Finance and Corporate Services Department, should work with each Member of Council annually to set budgets and spending categories within the financial system that reflect their planned expenditures for use in monitoring budget to actual spending.

MANAGEMENT RESPONSE 3

Management agrees with this recommendation. Council Support Services and Mayor Support Services will work with the Financial Services Unit and each Member's Office annually to review internal budget allocations and make adjustments where warranted to align with the General Ledger hierarchy and to provide for the in-year budgeting and monitoring described in the audit report. This approach will be implemented to align with the start of the 2026-2030 Term of Council.

4. Public Disclosures

Under the Policy, all office expenses funded through the Constituency Services Budgets must be publicly disclosed on the City's website. These disclosures are intended to give the public a clear picture of how Members of Council use the resources available to them. Each expense is publicly disclosed as an itemized entry that provides some detail on its purpose and nature, with the exception of staffing costs, which appear as a single line item covering office salaries for the Member.

4.1 Public disclosures are presented net of budget credits, resulting in an understatement of reported expenses.

Priority Rating:
Moderate

To support the setup and ongoing operations of their offices, Members of Council receive one-time (per term of Council) and ongoing budget credits from various City departments that can be applied to their Constituency Services Budgets. Additionally, Councillors who chair Committees or Boards also receive a monthly salary credit to their Constituency Services Budget. The Planning Committee Chair receives \$83,333 per year as well as certain Standing Committee and Board Chairs receive \$41,667.

For purposes of public reporting, expenses are reported net of budget credits, which results in understated totals. For example, a standing committee or board chair's salary costs would generally be under-reported by \$41,667.

By reporting net of budget credits, the City is understating its public disclosure of actual spending, which reduces transparency of Council expenses. Ensuring public disclosures reflect gross expenses will provide a more accurate and transparent picture of Council spending.

RECOMMENDATION 4 – RELEASE DISCLOSURES GROSS OF CREDITS

The City Clerk should update public disclosures going forward to show actual gross expenses to support accurate and transparent Council expenses.

MANAGEMENT RESPONSE 4

Management agrees with this recommendation. Staff will update public disclosure of Members' office expenses to show actual gross expenses, including any credits received, beginning with expenses filed in 2026.

Appendix 1 – About the Audit

Audit Objective and Criteria

The objective of the audit was to assess whether the administration of Council expenses complied with applicable policies and regulations and represents the prudent use of public funds.

Criteria listed below were developed based on an assessment of key risks related to Council expenses.

1. The Council Expense Policy and associated guidance is clear, expectations are well-documented and requirements are understood.	
1.1	The Council Expense Policy clearly defines eligible and ineligible expenses and outlines expectations of Members of Council and their staff.
1.2	Delegations of authority for spending and approval are clearly defined, communicated and understood.
1.3	Roles and responsibilities to process and support Members of Council expenses are clearly defined, communicated and understood.
1.4	Guidance and/or training on the Council Expense Policy is available and is updated as changes are made to the Policy and associated procedures.
2. Expenses are properly approved, documented, and aligned with the intended use of public funds.	
2.1	Expenses are supported by necessary documentation and charged to the appropriate budget per the Council Expense Policy.
2.2	Approval of each expense is provided by an authorized individual and documented in accordance with delegated authorities.
2.3	Expenses are reviewed for reasonableness, eligibility and consistency with policy requirements.
2.4	Expenses that require exemptions follow the process defined in the Council Expense Policy.
3. Budget forecasting, tracking, and public reporting are timely and accurate.	
3.1	Members of Council have access to timely budget-to-actual reports to enable regular forecasting and informed decision-making.

3.2	Required public disclosures of Council expenses are released timely and reconcile to approved expenses.
4. Hiring practices support transparency, fairness, and operational requirements.	
4.1	Expectations related to recruitment and selection practices are formalized and communicated.
4.2	Hiring and compensation decisions are aligned to established expectations and guidelines.

Audit Approach and Methodology

Audit staff performed the following procedures to complete this audit:

- Reviewed and assessed relevant documents related to Council expenses (e.g., policies, procedures, manuals, training materials);
- Conducted analysis of Council expense transactions;
- Interviewed key personnel, including Councillors, Councillor staff and City staff;
- Performed substantive testing of a sample of transactions related to each Member of Council; and
- Performed other analysis and tests, as deemed necessary.

Appendix 2 – Rating Scale for Audit Findings

The following rating definitions were used to assign priority to the findings associated with this audit.

Priority Rating	Description
Critical	The finding represents a severe control deficiency, non-compliance or strategic risk/opportunity and requires an immediate remedy. If left uncorrected, this could have a catastrophic impact on the achievement of the City's strategic priorities, its ongoing business operations, including the risk of loss, asset misappropriation, data compromise or interruption, fines and penalties, increased regulatory scrutiny, or reputation damage.
High	The finding represents a significant control deficiency, non-compliance or strategic risk/opportunity and requires prompt attention. If left uncorrected, this could have a significant impact on the achievement of the City's strategic priorities, its ongoing business operations, including the risk of loss, asset misappropriation, data compromise or interruption, fines and penalties, increased regulatory scrutiny, or reputation damage.
Moderate	The finding represents a moderate internal control deficiency, non-compliance or is a risk/opportunity to business operations that should be addressed timely. If left uncorrected, this could have a partial impact on business operations, resulting in loss or misappropriation of organizational assets, compromise of data, fines and penalties, or increased regulatory scrutiny. Typically, these issues should be resolved after any high-priority findings.
Low	The finding should be addressed to meet leading practice or efficiency objectives. Remediation should occur as time and resources permit. While it is not considered to represent a significant or immediate risk, repeated oversights without corrective action or compensating controls could lead to increased exposure or scrutiny.