



Office of the
Auditor General
City of Ottawa

SEMI-ANNUAL REPORT ON FOLLOW-UP PROCEDURES

APRIL 2025

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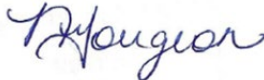
Acknowledgement

Mayor, Members of Audit Committee and Council,

I am pleased to present this report on follow-up audit 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 **September 2024**. This semi-annual report covers the period from **July to December 2024**.

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](#).

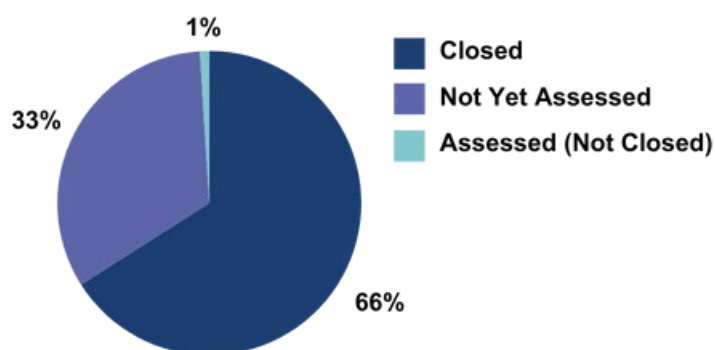
2. Overall View

Exhibit 1 depicts the overall results for all **462 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 **311 (67%)** of these 462 recommendations, as follows:

- **304 (66%)** have been assessed and closed; and
- **7 (1%)** have been assessed as partially completed and requiring further follow-up.

Exhibit 1 - Overall Status of Recommendations Issued Since 2019



The OAG has yet to review **151 (33%)** of the total recommendations issued since 2019¹. Further details on these recommendations are provided in Section 4 below.

3. OAG Results (Audited)

The OAG reviewed **13 recommendations** since July 2024; 10 of which were closed, while the other 3 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. As noted in the previous semi-annual report (tabled with the Audit Committee in September 2024), 38 recommendations were reviewed by our Office for the period from January to June 2024; resulting in a total of 51 for the year.

4. Management status (Unaudited)

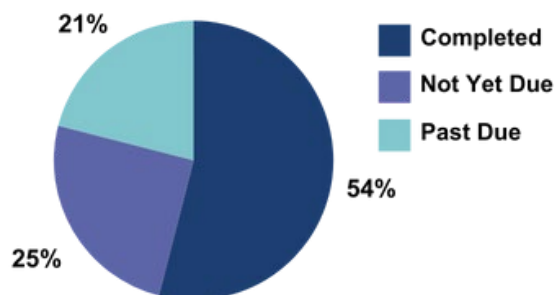
Of the **151 recommendations** not yet assessed by the OAG:

- 136 recommendations are being addressed by City of Ottawa management;
- 10 recommendations are being addressed by the Ottawa Police Services Board;
- 4 recommendations are being addressed by the Manotick Business Improvement Area; and
- Responsibility for 1 recommendation issued within the Audit of Enterprise Risk Management (2022) has been taken by our Office to action. This is expected to be closed by the end of Q2 2025.

Of the **136 recommendations**, management is reporting the following status as of December 31, 2024, also reflected in **Exhibit 2**:

- 54% (73) are completed and ready for OAG review;
- 21% (29) are past due; and
- 25% (34) are not yet due.

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



Please note these results are unaudited.

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 (due date of Q2 2022).

5. Aging of Overdue Recommendations

Exhibit 3, depicted below, shows the length of time elapsed for each overdue recommendation. This includes 29 unassessed recommendations and 4 previously assessed but deemed 'partially complete' recommendations by the OAG.

Exhibit 3 – Aging of Overdue Recommendations (as of December 31, 2024)

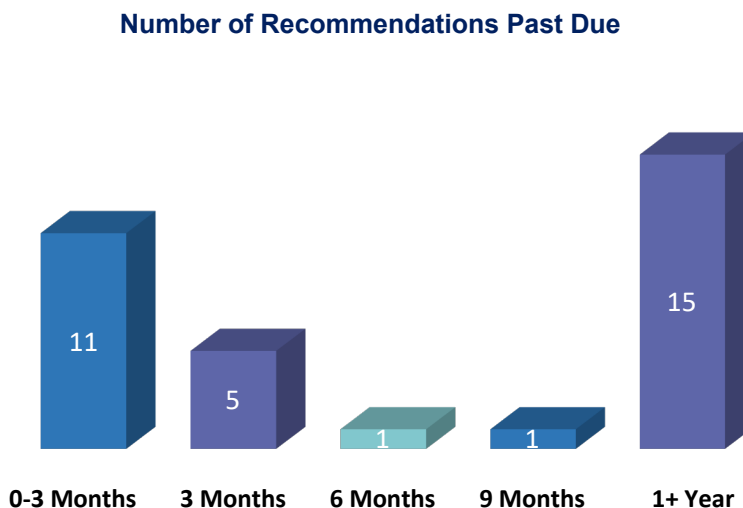


Exhibit 4 indicates the specific engagements for the recommendations that are past due for one year or longer:

Exhibit 4 – Recommendations Past Due for One Year or Longer

Engagement	# of Recs. Past Due for 1 Year+
City Estimates (2019)	2
Cybersecurity Investigation (2022)	4
Facility Management (2020)	5
ZEB Sprint 3 (2023)	3
PWESD – Contract Management (2019)	1
Total	15

Since our last follow-up report, Management has indicated that 5 recommendations that were past due for one year or longer have been completed.

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. In many cases, these had a committed

completion date from 2020 to early 2024. We understand that, in some cases, interdependencies exist which have prevented their completion and management has proposed a revised target date. 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 2023 and December 2023, we issued a Preliminary Report on Cybersecurity and an Audit Report on Cybersecurity, respectively. As of December 2024, 2 recommendations were overdue from each report. 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 the recommendations, with only 2 recommendations being completed as of December 2024 and 4 still in progress. 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, 4 were due to be completed by September 2023 and as of December 31, 2024, were over 12 months past due. These remaining recommendations were only going to be completed once the Service-Based Asset Management Plans (ServAMP) were available, which was anticipated for 2025. It should be noted that 1 of these recommendations has been assessed as partially complete with further follow-up required. We have learned more recently from management that additional measures may be required to close these recommendations. There is an additional recommendation which was originally due in September 2021 and which the OAG deemed it partially complete. Despite a revised due date of December 2024, this recommendation is still in progress.