



Office of the  
Auditor General  
City of Ottawa

# 2026–2027 AUDIT WORK PLAN

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## Background

The Auditor General is responsible for assisting City Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in municipal operations. This is accomplished through the independent execution of audits, reviews and investigations aimed to help identify and mitigate risks, to improve the control environment and to continue to improve the efficiency and effectiveness of City operations.

As outlined in the [Auditor General By-Law No.2021-5](#), the Auditor General shall submit an annual audit plan to Council for approval. Further, By-law No.2021-5 indicates that the Auditor General, at her discretion, can prepare a longer-term audit plan for submission to City Council.

## Purpose

The purpose of the 2026-2027 Audit Work Plan is to provide to the Audit Committee and to Council an overview of the work to be conducted in the fiscal years 2026 and 2027, which is in alignment with the City of Ottawa's (the City) Strategic Plan for 2023-2026.

## Risk-Based Audit Plan (RBAP) Process

The Auditor General undertakes a risk-based assessment to identify audit priorities. The audits selected for inclusion have arose through a systematic identification of all areas of significance from an audit perspective and the determination of audit project priorities by assessing criteria relating to risk, taking into consideration inherent risks, important organizational changes, new initiatives, emerging priorities and other relevant factors. Furthermore, requests from external boards may also be taken into consideration.

The Office of the Auditor General's (OAG) risk-based assessment process consists of **five distinct steps**:

1. Update the Audit Universe;
2. Documentation Review;
3. Consultations with Stakeholders;
4. Risk Assessment; and,
5. Project Selection and Prioritization.

Each of these steps are described in further details below.

## Audit Universe

An audit universe represents the potential range of all audit activities and is comprised of a number of auditable entities. These entities include a range of programs, activities and

functions which collectively contribute to the achievement of the City's strategic objectives. The audit universe was revised during the RBAP process to ensure a clear understanding of auditable entities while document review, consultations and risk assessments were conducted.

### **Documentation Review**

Documentation review consisted of reviewing the following documents:

- Enterprise-wide Risk Assessment;
- Official Plan, the City of Ottawa Strategic Plan 2022-2026, financial statements, and the 2025 Operating and Capital Budgets;
- Council and Committee meeting minutes
- Past audits conducted at the City;
- List of reviews and audits planned by departments;
- Recent reports published by working groups/task forces (e.g. Housing Innovation Task Force);
- Audits and audit work plans from other municipalities; and
- Fraud and Waste Hotline reports received in recent years.

### **Consultations**

The RBAP process included consultations with members of Council, the Senior Leadership Team, and OAG staff members. The objective of these consultations was to obtain input on strategic and organizational objectives, risk, opportunities, and anticipated changes and challenges to the operating environment. Those consulted were asked to share information on their specific areas of responsibility, as well as horizontal risks across the City, based on their experience and knowledge of operations. In addition, meetings are held with the external auditors and the City's internal Compliance and Training Branch (within Finance and Corporate Services Department) to discuss audit coverage of high-risk areas and to minimize overlap and duplication, thus reducing the risk of audit fatigue on the City's administration. Consultations with other Auditor Generals were also conducted to identify global risks and similar areas of focus that could be leveraged.

In addition, the OAG launched a survey with the objective of seeking the public's input into the areas that Ottawa residents and business owners believe could benefit from an independent audit. Further details on the results of the survey can be found in [Appendix A](#).

## Risk Assessment and Prioritization

Engagements were selected and prioritized based on risk, the assessment of which was completed using information gathered from the audit universe, consultations and documentation review. The underlying premise of a risk-based approach is that areas of higher risk require greater oversight; accordingly, in carrying out audits, reviews and investigations, greater weight is given to the examination of the governance, risk management, and controls associated with activities of higher risk. A risk-based approach enables the efficient and targeted deployment of the OAG's limited resources and ensures the coverage of the City's most exposed areas.

## Emerging Issues

The Auditor General has also taken into consideration emerging risks as part of the development of the Audit Workplan and continues to monitor the changing landscape. Examples of emerging risks being monitored, include:





## Other Considerations

### Mandatory Topical Requirements

Under the [2024 Global Internal Audit Standards](#) (Standards), audit functions are expected to address Mandatory Topical Requirements due to their significance across organizations and industries. These topics include high-impact areas such as cybersecurity, fraud risk management, third-party risk, and governance. While not every topic may apply equally to all organizations, the Standards require that each be considered during audit planning. In designing our audit workplan, we have reviewed these topical areas and incorporated relevant coverage where appropriate, ensuring our plan aligns with the Standards and addresses key risks that could affect organizational performance and resilience.

### Resource Allocation

In developing the workplan, the OAG considered the necessary resources to execute the work. The team has the necessary skills and experience to address the diverse scope of engagements proposed. Where specialized expertise is required, we will leverage our standing offer arrangements to access subject matter experts, ensuring depth and rigor in our work. The plan has been designed based on the staffing levels available, and the allocated budget provides sufficient flexibility to accommodate both planned activities and emerging priorities. Lastly, we have assessed and confirmed that the technological resources available, such as audit software (SharePoint and templates), data analytics tools (e.g. Power BI), and secure access systems (e.g. Virtual Private Network, two-factor authentication) are sufficient to support the effective execution of the workplan.

### 2026-2027 Risk-Based Audit Work Plan

The tables below outline the proposed audits for the 2026-2027 audit work plan, as well as a brief description of the audit objective and link to the Term of Council priorities, as presented in the City's Strategic Plan 2023-2026. The preliminary objective provided is subject to change based on the results of the risk assessment conducted during the planning phase of the engagement. Additional projects and initiatives, requiring significant resource time, are also described within these tables. Timelines reflected below are subject to change due to our Office's requirement to be nimble and agile as the risk landscape continuously evolves.

## Audits in Progress

| No. | Activity                                       | Description /Preliminary Audit Objective  | Link to Council Priorities   | Timeline   |
|-----|--|---|--|--|
| 1.  | OC Transpo Route Planning and Scheduling Audit | The objective of this audit is to assess the efficiency and effectiveness of OC Transpo's route planning and scheduling process. This will result in multiple audits.         | A city that is more connected with reliable, safe, and accessible mobility options | Commenced in Q3 2025 – to be reported Q2 2026    |
| 2.  | Audit of Cash-in-lieu of Parkland              | The objective of this audit is to assess the efficiency and effectiveness of processes related to the City's cash-lieu funds, and the prudent use of funds.                   | A city that has affordable housing and is more liveable for all                    | Commenced in Q3 2025 – to be reported in Q1 2026 |
| 3.  | Cybersecurity Audit                            | The objective of this audit is to assess the adequacy of controls in place to address potential threats to critical city infrastructure. This will result in multiple audits. | N/A  | Commenced in Q4 2025 – to be reported in Q2 2026 |

## New Audits Commencing in 2026-2027

### City Departments

| No. | Activity   | Description/ Preliminary Audit Objective   | Link to Council Priorities                       | Timeline |
|-----|--|--|--|----------|
| 4.  | Agile Audit of Lansdowne 2.0 Redevelopment Project | The objective of these agile audits is to provide reasonable assurance on the significant/high-risk elements of the Lansdowne 2.0 redevelopment project. Each audit sprint will be | A city with a diversified and prosperous economy | Periodic |

| No. | Activity   | Description/ Preliminary Audit Objective  | Link to Council Priorities   | Timeline                         |
|-----|--|---|--|----------------------------------|
|     |  | focused on a separate topic.  |  |                                  |
| 5.  | Agile Audit of Light-Rail Transit (LRT)              | The objective of these audits is to provide reasonable assurance on the significant/high-risk elements related to the various LRT stages. Each audit sprint will be focused on a separate topic.          | A city that is more connected with reliable, safe, and accessible mobility options | Periodic                         |
| 6.  | Agile Audit of Zero-Emission Buses (ZEB) – Sprint #5 | The objective of these agile audits is to provide reasonable assurance on the significant/high-risk elements of the ZEB project. Each audit sprint will be focused on a separate topic.                   | A city that is green and resilient   | Periodic                         |
| 7.  | Solid Waste Audit                                    | The objective of this audit is to assess the effectiveness of how the City manages solid waste operations to achieve value-for-money. Areas of focus will be further defined during the planning process. | A city that is green and resilient   | To commence in Q4 2025           |
| 8.  | Employment and Social Services Audit                 | The objective of this audit will be determined after conducting a risk assessment of this area.   | A city that has affordable housing and is more liveable for all                    | To commence in Q4 2025 / Q1 2026 |
| 9.  | Audit of 311   | The objective of this audit is to assess the  | N/A  | To commence in Q1 2026           |



| No. | Activity   | Description/ Preliminary Audit Objective  | Link to Council Priorities  | Timeline                  |
|-----|--|---|---|---------------------------|
|     |  | effectiveness and efficiencies of 311 operations used to serve the public.  |   |                           |
| 10. | Traffic Management Audit                         | The objective of this audit will be determined after conducting a risk assessment of this area.   | A city that is more connected with reliable, safe and accessible mobility options                         | To commence in Q1/Q2 2026 |
| 11. | Audit of Recreational Programs and Facilities    | The objective of this audit will be determined after conducting a risk assessment of this area.   | A city that has affordable housing and is more liveable for all   | To commence in Q2 2026    |
| 12. | Roads Maintenance Audit                          | The objective of this audit is to assess the maintenance of the City's road assets to identify opportunities related to economy, efficiency and effectiveness.  | A city that is more connected with reliable, safe and accessible mobility options.                        | To commence in Q2 2026    |
| 13. | Value for Money Audit of Infrastructure Projects | The objective of this audit is to assess the management of the City's infrastructure projects to identify opportunities related to economy, efficiency and effectiveness. Areas of focus will be further defined during the planning process. | A city that has affordable housing and is more liveable for all<br><br>A city that is green and resilient | To commence in Q2/Q3 2026 |

| No. | Activity                              | Description/ Preliminary Audit Objective   | Link to Council Priorities                                      | Timeline                         |
|-----|---------------------------------------|--|---|----------------------------------|
| 14. | Downtown Revitalization Project Audit | The objective of this audit is to provide reasonable assurance on the significant/high-risk elements of this project and to identify opportunities related to economy, efficiency and effectiveness. Areas of focus will be further defined during the planning process. | A city with a diversified and prosperous economy                | To commence in Q3/Q4 2026        |
| 15. | Social Housing Audit                  | The objective of this audit will be determined after conducting a risk assessment of this area.  | A city that has affordable housing and is more liveable for all | To commence in Q4 2026           |
| 16. | Human Resources Audit                 | The objective of this audit will be determined after conducting a risk assessment of this area.  | N/A   | To commence in Q4 2026 / Q1 2027 |
| 17. | Audit of Water Services               | The objective of this audit will be determined after conducting a risk assessment of this area.  | A city that is green and resilient                              | To commence in Q1/Q2 2027        |

### Local Boards

| No. | Activity  | Description/ Preliminary Audit Objective   | Link to OPSB Priorities                 | Timeline                     |
|-----|---|--|---|------------------------------|
| 18. | Ottawa Police Service – Audit of Project Management | The objective of this audit is to assess OPS' project management policies and practices. Strategic | Build Trust Through Strong Partnerships | Commenced in Q4 2025 – to be |

| No. | Activity   | Description/ Preliminary Audit Objective  | Link to OPSB Priorities   | Timeline                  |
|-----|--|---|---|---------------------------|
|     |  | projects both past and present may be examined.   | Enhance Community Safety  | reported Q2 2026          |
| 19. | Ottawa Police Service – Audit of Equity, Diversity and Inclusion (EDI) | The objective of this audit is to assess OPS's EDI programs, policies and strategies, comparing them to best practices in the sector and assessing progress against OPS's Strategic Plan. | Equity, Diversity and Inclusion - Strengthen our Commitment to Human Rights | To commence in Q3/Q4 2026 |

### Fraud and Waste & Other Investigatory Work

| No. | Activity   | Description  | Timeline |
|-----|--|--|----------|
| 20. | Fraud and Waste Hotline Administration                             | Our Office will continue to be responsible for the administration of the City's Fraud and Waste Hotline which is available for employees and the public as part of the City's Fraud and Waste Policy. Our Office will review issues raised through the Hotline and will present the reports of those Reviews and Investigations to Audit Committee and City Council. The next annual Fraud and Waste Hotline report will be tabled in Q1 2026. | Ongoing  |
| 21. | Investigations related to allegations of fraud or other wrongdoing | Larger investigations may arise as a result of complaints raised through the Fraud and Waste Hotline or through the conduct of approved audits.  | Ongoing  |
| 22. | Fraud and Waste Hotline Awareness Campaign                         | Our Office, in collaboration with the City Manager's Office (as the owner of the program), has reviewed the existing Fraud and Waste Policy and related procedures for   | Q1 2026  |

| No. | Activity | Description   | Timeline |
|-----|----------|---|----------|
|     |          | <p>potential areas for improvement and efficiencies.</p> <p>Subsequent to this review, our Office has designed an awareness campaign and related activities to increase employee and resident awareness about the program and its intended purpose. The campaign will be launched in Q1 2026. The launch was delayed due to conflicting City activities (e.g. 2026 Budget and Lansdowne 2.0).</p> |          |

### Other Significant Areas of Work

| No. | Activity                                  | Description  | Timeline      |
|-----|---|--|---------------|
| 23. | Follow-up audit procedures                | Based on available resources, the OAG will conduct follow-up procedures to ensure that recommendations made in previous issued reports and action plans developed by management are implemented in a reasonable timeframe. The status of the follow-up procedures will be reported twice annually. The next Follow-Up Report will be tabled in Q1 2026.  | Semi-Annually |
| 24. | Quality Assurance and Improvement Program | As part of the OAG's requirement to comply with the Institute of Internal Auditors' (IIA) Global Audit Standards, we will continue to conduct ongoing monitoring of the performance of the Office's audit activity through periodic self-assessments. The results of these self-assessments, in addition to, professional education requirements, evaluation of stakeholder relationships and additional performance metrics will be reported to the Audit Committee as part of the Auditor General's Annual Report. | Annually      |
| 25. | External Quality Assessment               | As part of the OAG's requirement to comply with the Institute of Internal Auditors'  | Q3/Q4 2026    |

| No. | Activity | Description  | Timeline |
|-----|----------|--|----------|
|     |          | (IIA) Global Audit Standards, we will undergo an independent external quality assessment to verify our conformance with the Standards. The results of this independent assessment will be reported to the Audit Committee. |          |

### Audit Horizon for 2026-2027

The above-mentioned Audit Work Plan is based on identified risk and available resources. Flexibility has been incorporated into the Audit Work Plan to ensure the Office of the Auditor General is able to execute work under its mandate, has the ability to quickly shift priorities in line with the changing landscape, conduct high-risk investigations as the need arises as well as manage the burden placed on the City's administration. Engagements being considered for potential inclusion in the 2026-2027 Audit Work Plan, should time permit or should priorities within the City and the OAG's Office shift, include:

|                              |                                      |
|------------------------------|--------------------------------------|
| 911                          | Elections                            |
| Artificial intelligence      | Facility management & modernization  |
| Building permit applications | Housing programs & benefits          |
| Bylaw Services               | Real estate acquisitions & disposals |
| Centralized Waiting List     | Stormwater management                |
| Community safety & wellbeing | Vendor performance management        |
| Culture                      | Winter maintenance                   |
| Development charges          | Vacant Unit Tax                      |

### Conclusion

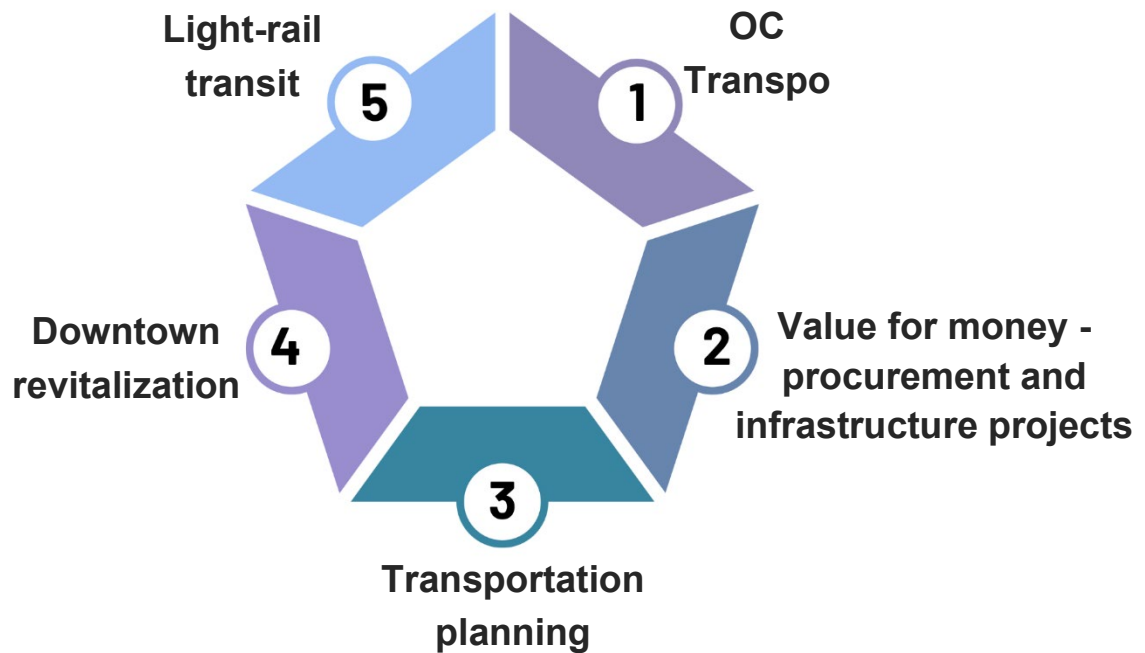
The audit selection process has been based on our assessment of risks, available resources and the need to be agile in our current environment. The plan is flexible to allow the Auditor General to respond to emerging issues. The audits outlined above aim to help

the City's administration mitigate risks as well as improve accountability, the control environment and the efficiency and effectiveness of City operations.



## **Appendix A – Public Survey Consultation Result**

The OAG launched a public consultation survey in the summer of 2025 with the objective of seeking the public's input into the areas that Ottawa residents and business owners believed could benefit from an independent audit. We received over 300 responses to the survey in addition to emails and calls placed to our Office. The top 5 areas for which respondents indicated a desire for an audit included:



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The **Fraud and Waste Hotline** is a confidential and anonymous service that allows City of Ottawa employees and members of the general public to report suspected or witnessed cases of fraud or waste 24 hours a day, seven days a week.

[www.ottawa.fraudwaste-fraudeabus.ca](http://www.ottawa.fraudwaste-fraudeabus.ca) / 1-866-959-9309