Office of the
Auditor General
City of Ottawa

Semi-Annual Report on Follow-Up Procedures



www.oagottawa.com

September 2026



Table of Contents

1. Background 1
2. Overall View 1
3. OAG Results (Audited) 2
4. Management status (Unaudited) 2
5. Aging of Overdue Recommendations 3
6. High Risk Areas 4

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 March 2026. This semi-annual report covers the period from **January to June 2026**.

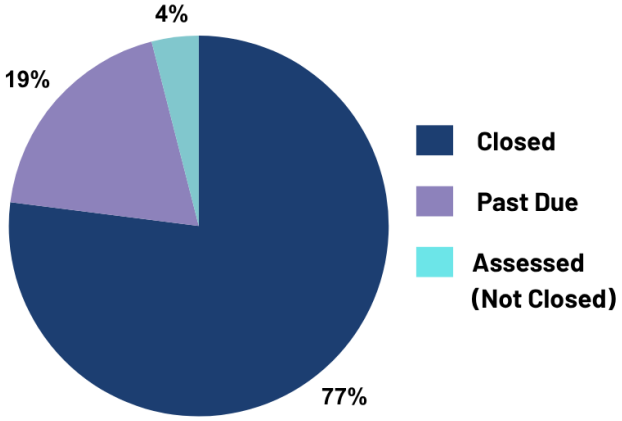
Our engagements are designed to improve management practices, enhance operational efficiency, identify possible savings, and address specific issues. Follow-up procedures are designed to evaluate management's progress on the implementation of recommendations from our reports. This report is not intended 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 **553 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.

Exhibit 1 - Overall Status of Recommendations Issued Since 2019



The OAG has assessed **446 (81%)** of these 553 recommendations, as follows:

- **423 (77%)** have been assessed and closed; and
- **23 (4%)** have been assessed as partially completed and requiring further follow-up.

The OAG has yet to review **107 (19%)** 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 **39 recommendations** between January and June 2026; 25 of which were closed, while the other 14 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.

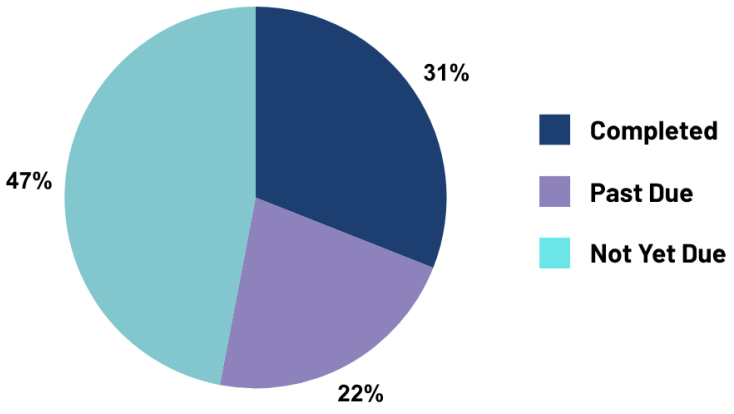
It should be noted that two follow-up reports were issued since the last semi-annual report was tabled. We issued reports on the follow-up work completed related to Cybersecurity and the Review of Job Evaluation Processes. The follow-up report on Cybersecurity was to provide additional insight on the status of nine of the recommendations related to this original audit (3 from the preliminary report issued in September 2023 and 6 from the audit report issued in November 2023). The follow-up report on Review of Job Evaluation Processes was to provide additional insight on the status of nine of the recommendations related to the original review.

4. Management status (Unaudited)

Of the **107 recommendations** not yet assessed by the OAG:

- 90 recommendations are being addressed by City of Ottawa management; and
- 17 recommendations are being addressed by the Ottawa Police Services Management and Board.

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



Of the **90 recommendations**, management is reporting the following status as of June 30, 2026, also reflected in **Exhibit 2** (unaudited):

- 31% (28) are completed and ready for OAG review;
- 22% (20) are past due; and
- 47% (42) are not yet due.

[1] Three recommendations from the Audit for Contract Management Practices – Springhill Landfill Site Contract (2018) were deemed completed by management in Q1 2026 and are currently awaiting OAG assessment.

Draft and Confidential

5. Aging of Overdue Recommendations

Exhibit 3, depicted below, shows the length of time elapsed for each overdue recommendation. This includes 20 unassessed recommendations and 13 previously assessed but deemed 'partially complete' recommendations by the OAG.

Exhibit 3 – Aging of Overdue Recommendations (as of June 30, 2026)
Number of Recommendations Past Due

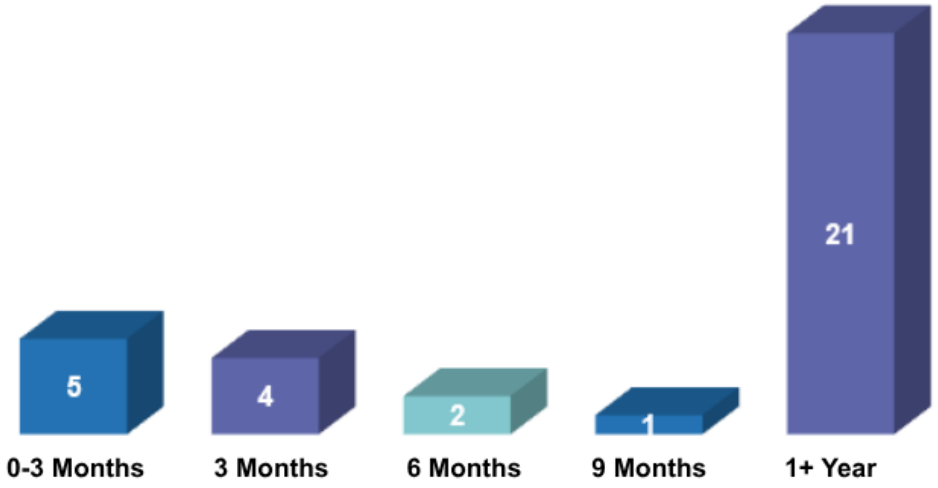


Exhibit 4 indicates the specific engagements for the recommendations that are past due for one year or longer:

Exhibit 4 – Recommendations Past Due for One Year or Longer

Engagement	# of Recs. Past Due for 1 Year+
Facility Management (2020)	2
Cybersecurity Investigation (2022)	6
Review of Job Evaluation Processes (2022)	3
Audit of Cybersecurity (2023)	3
Road Renewal Program Value For Money Audit (2024)	1
Audit of Climate Change Master Plan (2024)	2
OC Transpo Bus Maintenance Investigation (2024)	3
Fraud Investigation: Allegations of Kickback Scheme (2024)	1
Total	**21**

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 some cases, the recommendations were deemed complete by management but based on our follow-up work, have been assessed as partially complete and require 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 Investigation and Audits – In June 2022 and September/December 2023, we issued an investigation and two audit reports on Cybersecurity, respectively. As of June 2026, 6 recommendations from the Cybersecurity Investigation and 3 recommendations from the audit reports were overdue by approximately two to three years. Management estimates these recommendations will be completed as of Q2 2027. As these recommendations are intended to address cybersecurity risks, our Office continues to closely monitor their completion.

Investigation of OC Transpo Bus Maintenance – Of the 6 recommendations issued as part of this September 2024 investigation report, 3 were overdue by more than one year. Management estimates these recommendations will be completed by Q4 2027.

Audit of Facility Management – Of the 34 recommendations issued as part of this 2020 audit report, 2 were due to be completed by September 2023 and are now almost three years overdue. Management has indicated that a formal, risk-informed approach to identifying funding requirements and gaps, prioritizing facility investments, managing deferred maintenance, and aligning asset needs with long-range financial planning and governance oversight is estimated to be finalized by Q4 2026.