



COUNCIL REPORT

Report Date: October 3, 2025
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Meeting Date: October 9, 2025
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TO: Auditor General Committee
FROM: Auditor General
SUBJECT: Office of the Auditor General 2026 Budget Request

Recommendations

THAT the Auditor General Committee endorse the Auditor General's budget request of \$2,508,000 to fund the operations of the Office of the Auditor General for 2026;

FURTHER THAT the endorsement be recommended to Council for approval.

Alternatives

THAT the Auditor General Committee endorse the Auditor General's budget request of \$2,681,900 to fund the operations of the Office of the Auditor General for 2026;

FURTHER THAT the endorsement be recommended to Council for approval.

Purpose and Executive Summary

Office of the Auditor General 2026 budget request to the Auditor General Committee.

Council Authority/Previous Decisions

Per the *Auditor General By-law* s. 5.3, the Auditor General is to submit an annual budget request to the Auditor General Committee, which in turn is responsible for:

- a) conducting such consultations and clarifications with the Auditor General as is considered appropriate by the Auditor General Committee;
- b) submitting recommendations on the annual budget for the Auditor General to Council; and
- c) providing regular updates to the City Manager and Director of Finance on the annual budget request process set out above (but for informational purposes only)

so as to facilitate the incorporation of such financial information into the general corporate budget development process managed by the Director of Finance.

Context and Background

At its meeting on October 17th, 2024, the Auditor General Committee approved the Auditor General's 2025 budget request of \$2,533,000, and recommended to Council that it do the same.

As reported in the Auditor General's 2024 Annual Report, the operating expenses of the Office of the Auditor General have had a positive Return on Investment of 367%.

Discussion

Alternative A

The budget for the Office of the Auditor General is prepared and approved separately from that of the City. However, in anticipation of Council's approval of a motion to be presented by the Mayor on Oct 8th, 2025, directing City staff to prepare a 2026 operating budget that is 1% less than the 2025 operating budget (0%, including a 1% infrastructure levy), the Auditor General has done the same in Alternative 1. This represents a decrease of \$25,000 or 1% from the 2025 budget.

This was achieved by:

- reducing technical audit support costs by \$81,000, with the implication that the cybersecurity audit program will be scaled back in 2026;
- reduced training costs by 50% or \$8,000; and,
- allowing the contract of one staff member currently covering a maternity leave to expire in January 2026.

Cost savings were countered by wage increases anticipated for excluded staff members, in line with expectations for other City staff.

Alternative B

Recognizing the recently assigned workload associated with conducting investigations under the City's Whistleblower Policy is greater than that which was anticipated, Alternative 2 has been presented for the Committee's consideration. Alternative 2 is identical to Alternative 1 save for the costs associated with one Senior Auditor to replace the audit capacity that is now being devoted to Whistleblowing (\$173,900). The position is currently being filled by the contractor noted above in A. Alternative B represents a total increase of \$148,900 or 5.9% over the 2025 budget.

Financial Implications

Alternative A

\$2,508,000 is requested to fund the operations of the Office of the Auditor General for 2026, as outlined in the table below:

	2026 Budget Request	Notes
Salaries	\$2,263,500	
Contracted Services	151,000	66% SME, 26% QA, 8% legal
Training	8,000	Designation maintenance, prof. competence
Support Costs	85,500	Software licenses, professional licenses, telecom, etc.
Total Operating Costs	2,508,000	
One Time Costs	-	
TOTAL REQUEST	\$2,508,000	-1% from 2025 budget

Alternative B

\$2,681,900 is requested to fund the operations of the Office of the Auditor General for 2026, as outlined in the table below:

	2026 Budget Request	Notes
Salaries	\$2,437,400	1 Sr. Auditor added, as described above
Contracted Services	151,000	66% SME, 26% QA, 8% legal
Training	8,000	Designation maintenance, prof. competence
Support Costs	85,500	Software licenses, professional licenses, telecom, etc.
Total Operating Costs	2,681,900	
One Time Costs	-	
TOTAL REQUEST	\$2,681,900	+5.9% from 2025 budget.

Legal Implications

There are no legal implications associated with this report's recommendations.
