



COUNCIL REPORT

Report Date: October 10, 2025
Contact: Mike Macdonell
Contact No.: 604.873.7134
RTS No.: 18202
VanRIMS No.: 08-2000-20
Meeting Date: November 4, 2025
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: Chair of the Auditor General Committee
SUBJECT: Auditor General Committee Recommendations Transmittal Report

Recommendations

THAT Council approve the recommendation from the meeting of the Auditor General Committee held on October 9, 2025, as follows:

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

Council Authority/Previous Decisions

On [November 4, 2020](#), pursuant to [Section 161](#) of the *Vancouver Charter*, Council established an Auditor General Committee to provide oversight to the Office of the Auditor General on behalf of Council.

Pursuant to the [Procedure By-law 5.9](#), each standing committee is to report to Council on all matters resolved.

Per the [Auditor General By-law 3.14](#), the Office of the Auditor General will report directly to Council on any investigations or inquiries conducted by the Auditor General.

Context and Background

At the Auditor General Committee meeting on October 9, 2025, the Committee considered one report and one presentation, and made the recommendation identified above.

The report and corresponding presentation are attached for reference:

- Appendix A: Report dated October 3, 2025, entitled “Office of the Auditor General 2026 Budget Request”, and Presentation as provided alongside the report at the Auditor General Committee meeting of October 9, 2025.

Conclusion

This Report transmits the recommendations made by the Auditor General Committee at its meeting on October 9, 2025, for Council’s consideration.

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COUNCIL REPORT

Report Date: October 3, 2025
Contact: Mike Macdonell
Contact No.: 604.873.7134
VanRIMS No.: 08-2000-20
Meeting Date: October 9, 2025
[Submit comments to Council](#)

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.

Auditor General 2026 Budget Request

Mike Macdonell, FCPA, FCA, Auditor General
9 October 2025



2025 Budget and Actual



	2025 Approved Budget	2025 Actual (Projected)	Variance
Salaries	\$2,190,000	\$2,200,000	(\$10,000)
Contracted Services	232,000	208,000	24,000
Training	16,000	16,000	—
Support Costs	95,000	88,800	6,200
TOTAL OPERATING COSTS	2,533,000	2,512,800	20,200
Capital/One Time Costs	-	-	-
TOTAL REQUEST	\$2,533,000	\$2,512,800	\$20,200

- Subject matter expertise (SME) 66% of contracted services
- SME required under Canadian Audit Standards
- Foundation for credibility of OAG's work
- Budget allowance for SME is requested – though significantly reduced from 2025
- Extent of SME required difficult to predict
- Type of expertise and cost not known until audit scope and nature of evidence determined
- Cybersecurity audit program deferred

“A” 2025 - 2026 Budget Comparison

	2026 Request - A	2025 Approved Budget	Variance	
Salaries	\$2,263,500	\$2,190,000	73,500	3%
Contracted Services	151,000	232,000	(81,000)	-35%
Training	8,000	16,000	(8,000)	-50%
Support Costs	85,500	95,000	(9,500)	-10%
TOTAL OPERATING COSTS	2,508,000	2,533,000	(25,000)	-1%
One Time Costs	-	-	-	-
TOTAL REQUEST	\$2,508,000	\$2,533,000	(\$25,000)	-1%

“B” 2025 - 2026 Budget Comparison

	2026 Request - B	2025 Approved Budget	Variance	
Salaries	\$2,437,400	\$2,190,000	247,400	11%
Contracted Services	151,000	232,000	(81,000)	-35%
Training	8,000	16,000	(8,000)	-50%
Support Costs	85,500	95,000	(9,500)	-10%
TOTAL OPERATING COSTS	2,681,900	2,533,000	148,900	5.9%
One Time Costs	-	-	-	-
TOTAL REQUEST	\$2,681,900	\$2,533,000	\$148,900	5.9%

Cost Savings vs. Cost Drivers



Common to both Alternative 'A' & 'B'

• Pushed back audits requiring significant 3 rd party technical expertise	(\$63,000)
• Reduced other contracted services	(\$18,000)
• Reduced training	(\$8,000)
• Eliminated conferences & travel	(\$3,500)
• Misc administrative reductions	<u>(\$6,000)</u>
• Total reductions <u>4% of 2025 budget</u>	<u>(\$98,500)</u>
• Base salaries and benefits	<u>\$73,500</u>
Net reductions included in 'A' & 'B'	<u><u>\$25,000</u></u>

Return on Investment



Estimated Benefits Resulting from Implementation of Audit Recommendations

Audit		Estimated Annual Recurring Benefits							Total
		2023	2024	2025	2026	2027	2028	2029	
Building Permit Fees		\$ 885,329	\$ 320,083	\$ 1,196,224	\$ 1,196,224	\$ 1,196,224	\$ -	\$ -	\$ 4,794,084
Office Furniture Purchases		-	-	-	-	-	-	-	-
Permit Cost Recovery Model		4,000,000	11,700,000	11,700,000	11,700,000	11,700,000	-	-	50,800,000
Park Board Revenue Mgt.		-		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
VPD Enterprise Risk Mgt.		-							-
NPO Leases		-	-	2,912,000	2,912,000	2,912,000	2,912,000	2,912,000	14,560,000
	A	\$ 4,885,329	\$ 12,020,083	\$ 17,408,224	\$ 17,408,224	\$ 17,408,224	\$ 4,512,000	\$ 4,512,000	\$ 78,154,084
Annual Operating Costs	2021	\$ 159,167							
	2022	1,177,328							
	2023	1,713,147							
	2024	2,102,049							
Total Cumulative Operating Cost		\$ 5,151,691	B						
Return on Investment	A/B	328%							
Net of Set-up Costs		4,600,474	367%						

2026 Budget Request



Alternative 'A'	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

2026 Budget Request



Alternative 'B'	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

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.

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Questions?