



City of Edmonton
Office of the City Auditor

2018
Annual Report



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Message from the City Auditor



David Wiun
City Auditor

Vision

"Committed to adding value"

Mission

"We strive to add value to the City of Edmonton by promoting accountability, cost-effective municipal services, and ethical practices."

In accordance with Bylaw 12424, [City Auditor Bylaw](#), the City Auditor is responsible for all internal auditing activities within City Programs and City Agencies.

The Office of the City Auditor is an important part of good public sector governance and accountability to the stakeholders of the City of Edmonton.

The Office of the City Auditor's findings and recommendations represent a critical input to the City's governance framework. They lead to strengthened controls, improved efficiency, reduced waste, and help the Administration achieve better value for money.

The independence and credibility of this office are supported by our principles of integrity, objectivity, confidentiality and competency. This ensures that we provide unbiased, objective assessments of whether City operations are managed responsibly and effectively to achieve intended results.

Our audits go beyond the numbers to assess whether City services and programs are well managed and provide good value for taxpayers.

As the City's systems, transactions, and operations become more complex, it is critical that there is quality information available to assess the performance and value of the City's programs and services. In more and more audits, we are seeing the need for the City to improve information management, and we will continue to evolve our processes to support this need.

I strongly value the support and keen interest in our work from members of Audit Committee and City Council as we support them in their governance roles.

I also appreciate the support and the cooperation extended to us by City Administration. The most successful audit projects are those in which City Administration and the Office of the City Auditor have a constructive working relationship. These strong relationships are the foundation upon which we can effectively encourage acceptance and implementation of our more challenging recommendations.

In closing, I wish to pay tribute to my staff. Our accomplishments in 2018 would not be possible without the competency and dedication they bring to each of our audit projects. I am very fortunate to work with such a talented and professional group of individuals.

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Public Reporting

Our reports are public unless a specific exemption to disclosure exists under the Freedom of Information and Protection of Privacy Act (FOIP).

We forward all completed reports to members of Audit Committee and City Council. They are then available for discussion at an Audit Committee meeting.

In addition to being distributed to members of Audit Committee and City Council, reports are also distributed to the City Manager, the operational area(s) reviewed, and are made available to the public via the Office of the City Auditor's website edmonton.ca/auditor.

Professional Principles & Standards

Bylaw 16097, Audit Committee Bylaw, states that the Audit Committee has authority to receive “annual reports on the Office of the City Auditor’s compliance with professional standards.”


As audit professionals we must uphold the principles of all the professional associations we represent and those of the City of Edmonton.

Integrity Objectivity Confidentiality Competency

We follow the International Standards for the Professional Practice of Internal Auditing (Standards), established by the Institute of Internal Auditors (IIA). These Standards are the internationally accepted criteria by which the operations of internal audit departments around the world are evaluated and measured.

The Standards and the City Auditor Bylaw both require the Office of the City Auditor to undergo an independent external quality assessment review at least once every five years. The Office of the City Auditor has had two Independent External Quality Assessments in the past seven years (2011 and 2015). The assessments evaluated compliance with the Standards and compared the Office of the City Auditor to leading practices in public and private sector organizations. In both 2011 and 2015, we achieved the highest rating an audit office can earn regarding compliance with the Standards.

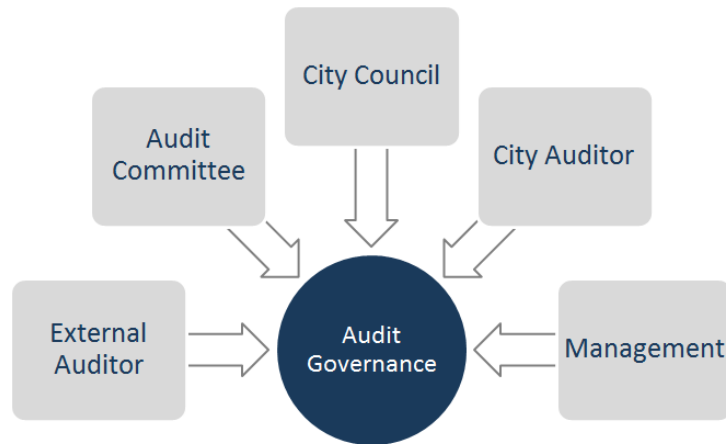
Our next independent external quality assessment is scheduled for late 2019 or early 2020. The review will cover the entire spectrum of audit and proactive services conducted by the Office of the City Auditor, to provide our stakeholders with ongoing assurance on our professionalism and quality.



The Office of the City Auditor’s next external quality assessment is scheduled for late 2019 or early 2020.

Audit Governance

There are five key stakeholder groups that have a role in audit governance. The goal of each group, working both individually and collectively, is to ensure that the City effectively achieves its goals while providing assurance that City operations are being conducted appropriately and cost-effectively.



The scope of audit work can include all phases of activities through which City Programs or City Agencies provide services to citizens. This means we go well beyond accounting and financial records in developing a good understanding of the operations under review.

City Council is responsible for determining the needs of the citizens of Edmonton and subsequently providing policy direction to Administration. Administration is responsible for providing the services and activities required to appropriately address those needs.

Audit Committee and City Council rely upon the Office of the City Auditor to provide objective and constructive assessments of how efficiently, effectively, and economically Administration is fulfilling its mandate within the context of City Council's directives and policies.

The support and keen interest in our work that members of Audit Committee and City Council demonstrate, as we support them in their governance role, is appreciated. The Office of the City Auditor has a strong, open relationship with Audit Committee and City Council. This relationship is a critical contributor to our success.

The support and the cooperation extended to us by the City Administration is also appreciated. Continuing to nurture this mutual cooperation is conducive to our common goal of ensuring that the operations of the City of Edmonton are carried out in an efficient, effective, and economical manner.



2018 Projects

2018 Value for Money Audits

We presented twelve value for money audits for public discussion at Audit Committee meetings in 2018.

Value for money audit projects assess whether an operational area, service, or program operates efficiently, effectively, and economically and whether risks are appropriately mitigated.

City Pesticide Use Audit January 22, 2018

The objectives of this audit were to assess if the City's Integrated Pest Management Policy was clear and understandable, whether the City was following regulations both on a federal and provincial level when applying pesticides, and whether the City was managing pests effectively and disclosing appropriate information to the public. We found that the clarity of the policy and public communication could be improved, and that deviations from federal and provincial legislation should be addressed.

2017 Municipal Election February 9, 2018

The objective for this audit was to provide assurance that the 2017 City of Edmonton municipal election planning and voting were conducted in accordance with legislation, in a manner that ensured the accuracy and auditability of the vote, and in compliance with the City's election procedures. We found no issues that impacted the outcome of any election race.

Bridge Maintenance Audit February 9, 2018

The objective for this audit was to determine if the City's bridge maintenance program is compliant with existing processes and if the program is effectively managed. We found that the City is managing an effective bridge inspection program and there are opportunities to improve program effectiveness and governance.

Waste Services Audit February 9, 2018

The overall objective of this audit was to assess whether or not Waste Services is able to achieve its vision, mission, and desired outcomes in an efficient, effective, and economical manner. We found a number of opportunities to improve the operation's efficiency, effectiveness, and performance monitoring.

Current Planning Reserve
Audit
April 11, 2018

The objective of this audit was to determine if the design, governance, and management of the Current Planning Reserve was effective at supporting the long-term financial sustainability of planning operations. We found that the Reserve was unsustainable without changes to oversight and management.

Investment Policy Review
April 11, 2018

The objective for this audit was to determine if the City was compliant with its investment policies, if these policies were compliant with provincial regulations, and if the investment policies were effective. We found that the policies were substantially compliant and effective.

Affordable Housing Strategies
Review
June 22, 2018

The objective for this audit was to review the priorities and progress of Cornerstones II and the Affordable Housing Strategy, and determine the cause of progress delays and barriers to achievement of the Strategy goals. We identified opportunities to improve financial tracking and performance management, updating policies, and complying with directives.

Information Technology
Disaster Recovery Planning
Audit
June 22, 2018

The objective of this audit was to evaluate the City's IT disaster recovery preparedness in the event of a process disruption. We found that the IT Disaster Recovery Program is aligned with best practices, but additional work is required to demonstrate the effectiveness of the program.

Community Projects in
Neighbourhood Parks Process
Audit
August 30, 2018

The objective of this audit was to determine if the process for completing community projects in neighbourhood parks is well-defined, well-managed, effective, and efficient. We found that the process was well-defined, and that there are opportunities to improve communication and performance management.

**Current Planning Future State
Project Investigation**
August 30, 2018

The objective of this project was to investigate the hiring, time approval practices, project management, and contract management of the Current Planning Future State Project that ran from 2010 to 2015. In this investigation, we confirmed that the Current Planning Future State project did not deliver value for money, and that project management and oversight was inadequate.

**Africa Centre: Governance
and Management Review**
November 9, 2018

The objective of this audit was to determine if the Africa Centre's governance structure supports effective decision-making and if City grants were used for intended purposes. We found that the Africa Centre was using grants in accordance with requirements, but that there are opportunities to improve the governance structure, processes, documents, and budgeting process.

Consultant Services Review
November 9, 2018

The objective of this audit was to assess whether consulting services are effectively managed by the City. We found that there has been an increase in lower-risk procurement methods; however, there is also frequent use of change orders, and consultant evaluations are not being used consistently in the organization.

*All current and historical audit reports are available at
edmonton.ca/auditor*

Proactive projects

These projects allow the Office of the City Auditor to provide proactive, strategic, risk, and control-related advice prior to and during the development and implementation of projects, programs, and systems.

System Development and Project Management Planning Review

To support the achievement of value for money, the Office of the City Auditor performed a proactive review of the initiation and planning phases of the SAP Ariba project. We provided Administration with information related to control gaps and risk exposures.

Fraud Awareness in the City

As part of the ongoing support to the City's Fraud Risk Management efforts, the Office of the City Auditor, in conjunction with Corporate Security facilitated two Fraud Awareness presentations with 70 employees in 2018. In addition, we continued to manage two websites on the City's internal website with information and tools on how to *Recognize, Report, and Stop Fraud*, and we added three fraud prevention tips to the website (*Lost your Mobile Phone? What You Need to Know to Prevent Fraud; Fraud Prevention Tips Everybody Should Know; and The 12 Scams of the Holiday*). We also supplied a greatcitynews article titled *It's the Season...to be Defrauded*.

Enterprise Risk Management and Program Area Risk Assessments

In 2018, the Office of the City Auditor continued to support the Administration's efforts to expand the corporate role of Enterprise Risk Management. Each section in the City completes a risk self-assessment as required by the City's Enterprise Risk Management Directive. The assessments include: a list of risks to the achievement of the goals of the section - including a corresponding analysis of identified risks, an assessment of the likelihood of occurrence, an assessment of the magnitude of the impact the risk would have on the corporation, and mitigation strategies. We incorporated the results of this exercise into the risk assessment we use to develop our Annual Work Plan.

Performance Measures
Validation

In 2018, we validated ten corporate measures from *The Way Ahead Final Report 2017*. We validated each of the ten measures against criteria relating to reliability, understandability and comparability of the performance measure. The results of the Performance Measures Validation project were presented at the June 22, 2018 Audit Committee meeting.

Facility Maintenance Services
Transformation Project

To support the Facility Maintenance Services transformation project, we are reviewing the financial policies, key performance indicators, and asset maintenance guidelines that will ultimately be used to support Facility Maintenance Services once the transformation project is complete. This proactive review includes an identification of risks based on a high-level review of key performance indicators and Asset Maintenance Guidelines

Recommendation
follow up

Audits identify significant issues and provide practical recommendations to improve the City's operations and services. In 2018, the Administration agreed to implement 100 percent of our recommendations.

In 2018, the Administration accepted 100% of our recommendations.

The Office of the City Auditor has a comprehensive monitoring program for all recommendations. For each recommendation, we assess the adequacy, effectiveness, and timeliness of actions taken by management. This provides assurance that management has implemented the intent of our recommendations, or provided appropriate explanations when actions are delayed or decisions have been made to not implement recommendations. At each Audit Committee meeting in 2018, we presented an updated *Recommendation Follow-up Dashboard* report as a regular agenda item. These reports provide the status of our recommendations and any changes to planned implementation dates.

By having an effective recommendation monitoring process, the Office of the City Auditor is able to identify actions taken by Administration that have resulted in positive change and reduced risk for the City.

Updated pesticide use procedures

In 2017, we completed a review of the documentation, controls, processes and procedures related to the City's current *Integrated Pest Management Policy*. Management's implementation of audit recommendations in 2018 led to them updating procedures to ensure pesticide use follows all federal and provincial regulations. They also documented all mandatory courses and training requirements for all positions where staff are required to apply pesticide.

Improved investment fund transparency

In 2018, we completed a review of the City's Investment Policy. We reviewed the City's annual investment reporting and identified certain asset mix and compliance information that the Policy required, but that the City was not publicly reporting. Based on our recommendation, the City now reports all required information annually for all investment funds, allowing for improved transparency and governance.

Clearly documented employee expense authority and procedures

In 2016, we completed an Employee Business Expense Audit. In response to the audit recommendations, Administration developed and implemented a new Administrative Directive in 2018 that supports payment and approval requirements, clarifying processes related to travel, food services hosting and other expenses.

Improved controls over the Vendor Master File

In 2017, we conducted an audit to determine whether the key controls over the Vendor Master File were adequately designed, established, and operating as intended. In 2018, the Administration implemented four recommendations. Administration has significantly improved its control environment and oversight over the Vendor Master File and it also completed a major clean-up of the file.

Supporting transition of Waste Services

In 2018, we conducted an audit of the Waste Services Branch to assess whether or not Waste Services is able to achieve its vision, mission, and desired outcomes in an efficient, effective, and economical manner. We have closed 3 of the 8 recommendations included in the Waste Services audit. Since the audit, Waste Services has entered into a period of significant change and transition. Waste Services has started to rethink the way in which it collects and manages waste.

Improved program management and performance measurement

In 2017, we conducted an audit of the Façade Improvement Program and Development Incentive Program to determine if the governance structure is effective, and to assess whether the City is following program policies and procedures. In response to the audit recommendations, the Economic and Environmental Sustainability Branch improved the program guidelines, information package, and process checklist to address eligibility requirements and cost estimations issues. In addition, the Branch improved the accuracy of grant information by tracking data through a quarterly and annual financial reconciliation process, and incorporated qualitative performance measures into the participant satisfaction survey.

Supporting transition of corporate culture

In 2017, as part of the Corporate Culture Audit, we identified gaps between the current state culture and specific elements of the desired, future state culture that management can consider as they progress in their efforts to transform the organization. In response to the recommendations, the Administration has implemented a number of initiatives. These include developing and implementing a comprehensive plan to review relevant employee directives and procedures through the lens of the City's five cultural commitments. In addition, it has put in place a new process for reporting discrimination and harassment complaints.

Improved controls over bridge inspections and maintenance

In 2017, we conducted an audit to determine if the City's bridge maintenance program is compliant with existing processes and if it is effectively managed. In response to the audit recommendations, the Administration developed a process to improve quality assurance. They have implemented new controls that ensure they receive and document all inspections and maintenance work.

Governance & Leadership Activities

The Office of the City Auditor participates in a number of initiatives that support City Council and Audit Committee's governance responsibilities.

Annual Report

Bylaw 12424, City Auditor Bylaw, states that the "City Auditor will submit to Council an Annual Report." We issued the City Auditor's 2017 Annual Report on June 22, 2018. The report summarized the activities of the Office of the City Auditor for the calendar year 2018.

Annual Work Plan

Bylaw 16097, Audit Committee Bylaw, Section 9 states that, "Committee has the power to approve the City Auditor's annual work plan and any changes to the work plan requested by the City Auditor within approved budgets." The Office of the City Auditor's annual planning process is designed to ensure that it prepares a risk-based work plan that adds value to the corporation through its execution. The Office of the City Auditor's 2019 Annual Work Plan was presented and approved at the November 9, 2018 Audit Committee meeting

Industry Sharing

We provide national, and where possible, global leadership in the government auditing profession. To stay current in the industry, our staff undertakes a number of activities that promote the profession and our audit practices within and outside the City. Many of our audit staff members actively support the auditing profession by chairing or serving on boards of directors or committees of professional audit-related and other organizations. Staff have served the profession by acting as volunteer instructors for Value-for-Money auditing courses hosted by the Institute of Internal Auditors throughout North America. We also encourage staff to publish articles within auditing publications.



Fraud & Misconduct Hotline

Hotline Administration

The City Auditor Bylaw states “The City Auditor will lead the implementation and operation of the City’s hotline.” It also requires the City Auditor to provide periodic reports related to overall hotline activity.

The hotline is available to City employees 24 hours a day, seven days a week, all year round, by phone or via the Internet.

The Fraud & Whistleblower Protection Administrative Directive prescribes procedures for the prevention, detection, reporting and investigation of suspected fraud, as well as the processes for reporting and resolving complaints of retaliation.

The City implemented its Fraud and Misconduct Hotline on January 2, 2007. The Office of the City Auditor has managed the hotline since its implementation. We use a third party service provider to facilitate receiving the reports via the internet or over the phone. We input reports that we receive directly from the employees via the City’s email, telephone, general mail, etc. into the hotline system with a unique identifier.

The information provided by hotline reporters is anonymous. Authorized Office of the City Auditor staff receives automatic email notifications immediately after a report submits new information or updates an existing report. The service provider stores all information on their Canadian-based secure servers.

When we receive reports, authorized Office of the City Auditor employees conduct a preliminary screening. Depending on the nature of the complaints, we decide whether or not to initiate an investigation. We forwarded harassment and discrimination reports to the City’s third-party service provider and operational matters to the City Manager.

In cases where we have referred the report to the City Manager, we asked the assigned departmental managers to report back to us on the resolution and any actions taken. The Office of the City Auditor reviewed all findings from reports investigated by the Administration to ensure that the investigations were thorough and that remedial action plans were appropriate.

2018 Hotline Activity

In 2018, we received and reviewed a total of 50 reports of alleged fraud or misconduct from the service provider's website or phone service.



We received 43 reports through the service provider's web service.



We received 7 reports that were provided to the service provider's live agents by phone.

Hotline Report Topics

Report topics fall into a number of different categories.

There were 23 fewer reports made to the hotline in 2018 compared to 2017.

In 2018, reports related to **unethical conduct and conflict of interest** were the most common.



Disposition of Hotline Reports/Complaints

The Office of the City Auditor screens all hotline reports to determine the most appropriate way to address each one.

In 2018, we investigated or referred the majority of reports to an appropriate authority.



Despite our attempts to obtain additional information through the hotline system, at times we were unable to act on some reports due to insufficient information. Employees may not provide the requested information because they may not be able to substantiate their report or may not check the status of their report on the system. They may also have addressed their concern through other resources or decided not to pursue further action



2018 Investigations

Investigation Outcomes

As per the City's Administrative Directive A1454, Fraud and Whistleblower Protection, the City Auditor has primary responsibility for investigating suspected fraud and will involve the City Manager as appropriate,

Investigations are designed to prove or refute alleged fraudulent behavior or misconduct by a City employee or other parties.

In 2018, 21 reports of fraud and misconduct were investigated. In addition to the Office of the City Auditor conducting investigations in accordance with our internal procedures and guidelines and professional standards, we also consulted with internal experts from Corporate Security, Law, Human Resources, and other departmental staff as appropriate.

Of the 21 reports that were investigated, 9 reports could not be substantiated or confirmed. Therefore, no further action was taken.

The remaining 12 reports were either confirmed or resulted in recommendations to address identified risks.

All employees participating in the investigation of reported allegations were required to maintain confidentiality and comply with the Freedom of Information and Protection of Privacy Act.

In outcomes where the employee should have been aware of the performance and conduct expected, the Administration took corrective actions or appropriate disciplinary action. This may include dismissal. Decisions related to employee discipline are made by Administration.

Investigation Details

In 2018, allegations were confirmed or resulted in recommendations to address identified risks for the following 12 reports.

Need for attendance management training for supervisory staff

We received a complaint that an employee was working from home, and misusing City time by attending appointments and shopping during the day. The investigation confirmed that the employee was working from home after sustaining an injury. The appointments were for medical purposes and the employee's supervisor had approved them. The employee's manager and supervisor were informed that Labour Relations and Disability Management should have been engaged as soon as the employee identified the need for medical accommodation. Supervisors were requested to complete the Attendance Management module of the City's Supervisor 101 Training course.

Misuse of City time and assets by multiple employees in a work unit

It was alleged that a crew leader was sleeping when working nights, allowing co-workers to come in late, carried a police scanner and showed up to police calls, and spent an excessive amount of time on sports websites during work hours. An employee from the crew leader's team came forward with additional concerns during the investigation that related to other employees also misusing City time. All employees that worked on this crew were interviewed. Interviews confirmed that the employee had fallen asleep while on night shift, and that several employees showed up to work late on a regular basis, usually 5 to 10 minutes. There was no evidence to substantiate that the employee had a police scanner at work or in their truck. It was confirmed that the employee was on sports websites on City time and would watch partial and/or full hockey games while on shift. The crew leader and 6 additional employees were released from the City's employment; 1 employee received a 10 day suspension; 1 employee received a 5 day suspension and 1 employee received a 3 day suspension.

Need for proper equipment operator training and certification

We received a complaint alleging that employees were operating equipment without proper certification. The investigation showed that the work area was using informal peer training, as well as orientation and training by the equipment manufacturer instead of providing workers with the required equipment certification. It was recommended that the business unit develop a formal documented

training program for the equipment. In addition, it was also recommended that the business unit identify which employees are authorized to take equipment operator training to become certified.

Procedures around accurate reporting of time

It was alleged that an employee was constantly going home early and still being paid full time hours. The reporter indicated that the foreman was aware of the employee leaving early but would sign off on the time card as if the employee worked a full day. A review of the employee's recorded time showed that for the majority of the alleged absences, appropriate time codes were entered for the time away from work. There was one confirmed date that time away from work was not entered; however, given that time entry was correct for the majority of the incidents, this error was likely unintentional. It was recommended that procedures around accurate reporting of time be reinforced by the business unit's leadership group.

Acceptance of gifts from a contractor

We received a complaint alleging a violation of the City of Edmonton's Code of Conduct related to gifts and gratuities. The investigation indicated that the General Supervisor accepted gifts and gratuities from contractors on a number of occasions including tickets to various Oilers hockey games. It was also determined that two other employees (both subordinates of the Supervisor) had been nominated by the Supervisor to receive gifts from a contractor in the form of a dinner and hockey tickets. The Supervisor was terminated as a result of the violation of the Code of Conduct. In addition, the City Manager issued a communication to the Executive Leadership Team, Branch Managers and Directors reinforcing the expectations concerning gifts.

Excessive internet browsing on City computer

It was alleged that a City employee was abusing City time by using a City computer and personal cell phone for excessive amounts of internet browsing and texting. The employee's internet use history was reviewed over a 3 month span. Although some of the internet usage was work-related, it was determined that the employee used the internet in an excessive manner overall. The employee was in violation of the City's Code of Conduct and the Acceptable Use of Communication Technology directives. The employee acknowledged that they were spending excessive time on the internet and demonstrated remorse. A letter of expectation was issued to the employee and they were advised that their internet will be randomly audited for the next 6 months.

Unfair hiring practices

We received a complaint indicating that an external candidate was intentionally added to a job competition open to internal candidates only. It was determined that the external candidate had accepted a position with the City's Staff Support unit before the posting went up. However, the individual's start date with Staff Support did not pre-date the closing date on the posting. As such, this candidate should not have been eligible to apply. It was recommended that the Supervisor of the business unit be required to recertify as a Hiring Manager by completing the required training. In addition, recruitment practices relating to adding late candidates, in particular around internal candidate only postings, will be reviewed to see if there are any improvements or clarifications that could prevent future issues.

Need to reinforce procedures around addressing employee concerns

We received a complaint that a Supervisor did not grant leave for an employee to attend job interviews. Supervisors are to provide time off with pay for internal interviews and time off using vacation, banked time, or leave without pay in the case of external interviews. The investigation confirmed that the employee attended the job interviews but was away at these interviews for extended periods of time. As such, the Supervisor had indicated to the employee that future interviews would need to be conducted on the employee's own time. The investigation also revealed a communication breakdown between the Supervisor and employee. Procedures around addressing employee concerns were reinforced with the Supervisor.

Violation of the City's Take Home Permit Policy

We received a complaint that a City vehicle was parked on the street for over a week in an area where on-street parking was very limited. It was determined that the employee was on a training course and that the vehicle did stay parked at one location during this time. This was in violation of City policy which states that "if a driver has a Vehicle Take Home Permit, City Vehicles may not be taken home when the Employee is on leave for 4 or more days." The employee received written communication reminding them of the City's expectations for take home vehicles. The supervisor and the employee committed to reviewing the option of satellite parking instead of a take home permit. The employee committed to parking the City vehicle on their driveway whenever possible. The business unit also reviewed the City's take home permit policy at a tailgate talk with all staff.

Misuse of City time

It was alleged that a City employee was misusing City time by remaining idle unless specifically asked to perform a task and that the employee was "generally unhelpful." Because there were no shift reports or log entries identifying the work performed by the employee, the alleged misuse of City time could not be substantiated. A counselling letter was provided to the Crew Leader that reinforces leader expectations around ensuring that proper controls and procedures are in place (eg. shift reports, log entries, updated forms). A recommendation was made to also ensure shift reports and maintenance checklists are completed by each employee on shift. It was also recommended that the Supervisor review submitted reports on a weekly basis to ensure that employees have enough work to do during their shifts.

Not following proper procedures when attending a call

We received a complaint that a City of Edmonton employee responded to a call while off duty. The complainant alleged that the employee was driving a personal vehicle, had no City uniform, and appeared to be fatigued and distracted attending to the call. A letter of expectation was issued to the employee as a result of continuing to work the on-call shift while unfit for duty and for breaching required protocols (vehicle and attire). It was also recommended to develop and communicate a standardized process to update and approve changes to policies and procedures specific to the section.

Lack of controls over surplus equipment

It was alleged that surplus City equipment at a City facility was being sold to City employees at a low cost. As part of the investigation, a number of employees were interviewed that were involved in the sale of the equipment. It was determined that staff followed historical business unit procedures for disposing of unwanted items. There was no evidence of intentional wrong doing or personal gain. However, controls in the process were weak as there was no record of what was sold and for how much. Recommendations were made for the business unit to develop, document, and communicate a process and procedures for dealing with unwanted items at facilities. This should include adequate controls to safeguard City assets.



Our Performance in 2018

Measuring our Performance

We strive to deliver high-quality, innovative and cost-effective audit services. To accomplish this, we measure key quality and efficiency indicators. This helps us to continuously improve our strategic performance and outcomes.

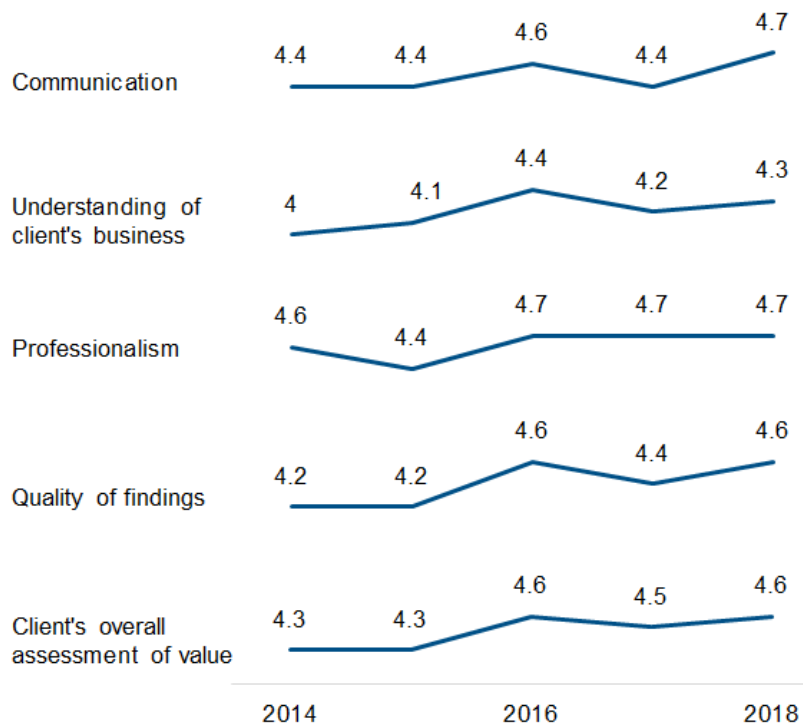
Measures include customer relationship indicators, effectiveness and productivity metrics, and alignment to audit best practices.

Each of these measures is an indicator of our success towards achieving our strategic vision and mission.

Customer Relationships

Our consistent high customer satisfaction scores reflect our partner-focused audit approach.

After each major project, we issue a customer satisfaction survey to obtain feedback on our performance and to identify areas where we can improve our operations. Audit clients score our performance on a scale of 1 to 5.



Effectiveness & Productivity

The Association of Local Government Auditors represents local government audit organizations in North America. We used their biennial survey of member audit organizations for industry best practices.

We use several internal measures to monitor our effectiveness and productivity.



Administration accepted **100%** of our **recommendations**. The industry average is 83%.



84% of our **available time** is spent working on **projects**. The industry average is 70%.



92% of scheduled projects in the approved 2018 Annual Work Plan were **completed or partially completed** within the year. The industry average is 91%.

Best Practices

We have adopted industry best practices to optimize our productivity.



Use of a Fraud Hotline to enhance **accountability** and promote ethical operating practices



Use of computer-assisted audit techniques to optimize **productivity** by scrutinizing large volumes of data more efficiently



Use client questionnaire to monitor our **performance** and identify where we can improve



Use of audit management software to integrate and **automate** audit activities including long-range audit planning, working papers, document management, and performance management

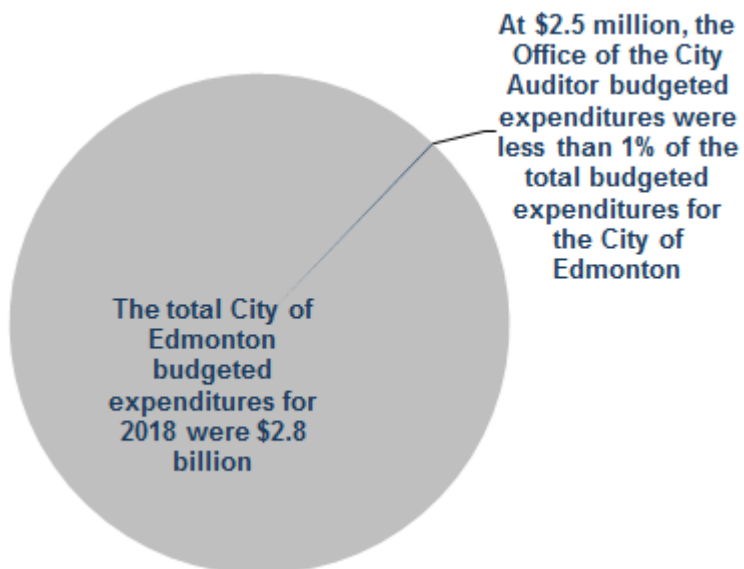
Cost Effectiveness & Accountability

As an independent audit office reporting on the efficiency, effectiveness, and economy of City operations, we must operate in a cost-effective and clearly accountable manner.

We measure our cost effectiveness by monitoring our actual versus budgeted expenditures, and our office expenditures as a percentage of the entire organization.

Office of the City Auditor actual expenditures were 4% below budget in 2018.

In 2018, our actual costs were 4% below budget. This was primarily due to one employee on parental leave.





Human Resources

Our Team

Staff

- John Bowers
- Chrisy Burton
- Lisa Callas
- Lance Cooper
- Queena Dong
- Paul Ebenezer
- Leslie Glasbeek
- Sophia Kasozi
- Michael Lam
- Stephan Maslo
- Janine Mryglod
- Edwin Ryl
- Jason Solowan
- Becky Williams
- Thomas Wong

One of our goals is to maintain a respectful, team-oriented workplace that helps individuals reach their career potential and achieve personal growth goals. Strategies to help achieve this goal include providing encouragement to pursue training and professional certifications and to foster a positive working climate.

Delivering high quality reports efficiently and effectively requires a competent, dedicated, and enthusiastic workforce. We understand the importance of effectively managing our staff, developing, and providing our staff with opportunities to grow both personally and professionally. Our focus is to provide all our staff with a supportive environment that encourages them to achieve their personal goals, while simultaneously achieving the desired outcomes of the Office of the City Auditor.

The goals of the Office of the City Auditor were achieved in 2018 because of the staff's hard work, perseverance, and commitment to delivering high quality, innovative, and cost-effective audit services. With every audit we demonstrate our ability to willingly adapt and rise to new challenges and complexities.



On average, staff completed **6.3 days** of City funded training and development to support professional certification and skills.



100% of audit staff have professional audit certifications, advanced designations, or degrees.



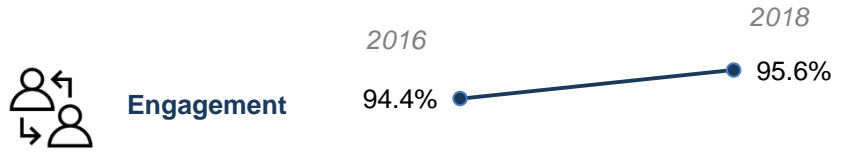
Our overall employee engagement score is **95.6%**. This compares to the City's overall average of 66.6%. This measures the connection employees have to their work, emotional connection and willingness to put in discretionary effort.

Employee Engagement

Every two years the Office of the City Auditor participates in the corporate-wide Employee Engagement and Diversity Survey.

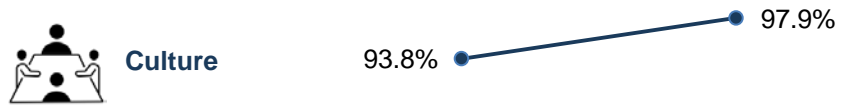
In all five of the Key Dimensions measured by the survey, favourable scores provided by our employees remain high.

In 2018, scores in all dimensions increased.



"You want to do your best work here. It's expected and supported."

"I really care about the work I do here."



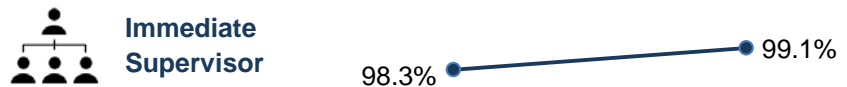
"Teamwork is embedded in our processes. It's how we create quality"

"It's a perfect balance of individual and team work. There is always an opportunity to stretch and improve."



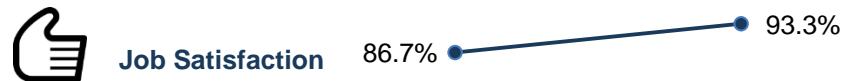
"This is a place you want to come to work every day."

"I've never worked anywhere with people that get along so well. You can critique someone's report, but then happily have lunch with them after."



"There's a saying that people don't leave jobs, they leave bosses. That would be why staff in this office only leave when they retire."

"This is a place where my opinions matter. I'm encouraged to speak up and try new ideas."



"The variety of work...the challenge...the people...I'm not sure what would improve this job."

"It's great to feel appreciated for my contributions to our projects."