



**OFFICE OF
THE CITY AUDITOR**

2026 ANNUAL WORK PLAN

JANUARY 19, 2026

OFFICE OF THE CITY AUDITOR MISSION AND GUIDING PRINCIPLES

The mission of the Office of the City Auditor is to enhance Edmontonians' trust through independent, value-add internal audit and advisory services.

Our guiding principles are:

Integrity: We are ethical, truthful, and transparent.

Accountability: We honour our commitments and take responsibility for our actions.

Unbiased: We are independent and objective.

Collaborative: We respectfully listen and work towards common goals.

Committed to continuous improvement: We embrace learning and innovation.

BYLAWS

In accordance with the City Auditor Bylaw, the City Auditor is responsible for providing all internal auditing activities for all programs and activities carried out by the City under the authority of the City Manager.

Bylaw 21111, City Auditor Bylaw establishes the position of City Auditor and delegates the powers, duties, and functions to that position. This includes:

- Independent, objective assurance, and advisory activities designed to add value and improve the City's programs and activities.
- Assisting the City to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness and efficiency of operations, risk management, control, and governance processes.
- Fraud investigation activities and the operation of the City's Fraud and Misconduct Hotline.

Bylaw 16097, Audit Committee Bylaw, gives the Audit Committee the authority to recommend to Council the approval of the Office of the City Auditor's Annual Work Plan.

PROFESSIONAL PRINCIPLES AND STANDARDS

As audit professionals we uphold the principles of the professional associations we are members of and those of the

City.

We follow the Institute of Internal Auditors *Global Internal Auditing Standards*. These *Standards* are the internationally accepted guidance which internal audit departments around the world must comply with and be measured and evaluated against.

To continually grow internal audit skills and knowledge our staff are members of:

- The Institute of Internal Auditors
- The Canadian Audit and Accountability Foundation
- The Association of Local Government Auditors
- The Information Systems Audit and Control Association
- The Association of Certified Fraud Examiners

Annual Work Plan Development

The Office of the City Auditor's (OCA) annual planning approach is designed to focus on the risks that may impact the City's ability to achieve its objectives.



POTENTIAL PROJECTS AND RISK AREAS

We identified potential projects and risk areas through suggestions from members of City Council, Executive Leadership Team, City Administration, the general public, discussion with the City's external auditor, staff ideas and topics, hotline tips, reviews of audits conducted in other jurisdictions, reviews of the City's corporate and branch level budgets and risk documents, and reviews of risk publications.

As well, we exercise professional judgment to acknowledge varying degrees of impact on overall operations, public interest, trends within the City, or Council-directed projects in determining the final list of projects.

DRAFT ANNUAL WORK PLAN DEVELOPMENT

The OCA reviews and selects potential projects by considering project scope, potential outcomes, link to corporate objectives, resources required, and audit priority. The OCA also shares the draft plan with the City's Executive Leadership Team.

ANNUAL WORK PLAN APPROVAL

The OCA will circulate the draft Annual Work Plan to Audit Committee for discussion and recommendation to Council for approval at the last Audit Committee meeting of the year. Audit Committee or Council can propose changes to the Annual Work Plan prior to its approval.

ANNUAL REPORTING

To support City Council and Audit Committee's governance responsibilities, we will provide an annual report to summarize how well we delivered on our work and operating plans, including recommendations and key performance indicators.

2026 Annual Work Plan

PERFORMANCE AUDITS

These are audits that assess efficiency, effectiveness, and economy of programs and services.

Audits related to the following Corporate Business Plan objective: *Serving Edmontonians*

Facility Capital Projects

(Carried Forward from 2025)

We have selected three small to medium scale completed facility rehabilitation projects to audit.

This audit will include an assessment of the project's planning, designing, and building practices, as well as communication and performance measurement.

Parking Operations

The City manages and regulates all municipal parking operations, encompassing both on-street (including the residential parking program) and off street facilities. This involves rate setting, facility operations, managing payment systems (parking app and pay stations), and the residential parking program.

This audit will assess parking operations for effectiveness and efficiency, and will review anticipated changes to parking operations.

Temporary Road Closure Planning and Coordination

The City coordinates and approves temporary closures of road right-of-ways for a variety of reasons, such as construction projects or utility work.

This audit will assess the effectiveness of the City's planning for and coordination of temporary road closures.

Fire Prevention Services

Edmonton Fire Rescue Services is responsible for protecting the lives, property, and environment of Edmontonians. The Fire Prevention Section is responsible for providing services and

implementing programs that help reduce the number of fires that occur in Edmonton. This includes fire investigations, fire inspection and permitting, and public education.

This audit will assess the efficiency and effectiveness of the City's Fire Prevention Services.

Animal Care Facility and Animal Licensing

The City's animal care facility houses Edmonton's stray and lost pets. The facility offers shelter for sick, injured, and lost pets as well as victims of animal neglect, cruelty, and abandonment. The City is also responsible for animal licensing where pet owners register their animals to promote responsible pet ownership.

This audit will assess the effectiveness and efficiency of the City's animal care facility and animal licensing to support cost recovery and manage demands.

Construction Materials Engineering and Testing Program

The Construction Materials Engineering and Testing Program provides materials engineering expertise and quality assurance services to confirm that transportation-related assets, such as roadways and shared use paths built as part of the City's capital program, are designed and constructed in accordance with quality standards.

This audit will assess the effectiveness of the City's Materials Engineering and Testing Program.

Audits related to the following Corporate Business Plan objective: ***Manage the Corporation***

Business Continuity Program (Carried Forward from 2025)

Edmonton's Business Continuity Management Program coordinates proactive planning which helps City branches anticipate, prepare for, respond to, and recover from disruptions. It provides a roadmap for continuing operations under adverse conditions and during disruptions caused by all types of incidents, emergencies, and crises.

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| | <p>This audit will assess the City's Business Continuity Program against best practices, including a review of the adequacy of continuity plans.</p> |
| Municipal Fleet Maintenance (Carried Forward from 2025) | <p>Municipal fleet maintenance includes the preventative maintenance, repairs, custom fabrication, fuelling, and seasonal maintenance for all City vehicles and equipment.</p> <p>This audit will assess the effectiveness and efficiency of the City's municipal fleet maintenance operations.</p> |
| Corporate Accounts Receivable Function (Carried Forward from 2025) | <p>The City's Corporate Accounts Receivable Function manages billing and collections for a range of City-provided goods and services. This includes invoice preparation, customer support and account management, collections, dispute resolution, credit assessments, and payment processing.</p> <p>This audit will assess the effectiveness and efficiency of the City's Corporate Accounts Receivable Function.</p> |
| Recruitment Process | <p>The City employs over 12,000 employees. The Human Resources Client Services Branch supports the City with recruiting its workforce.</p> <p>This audit will assess the effectiveness and efficiency of the City's recruitment processes.</p> |
| Operational Technology Cybersecurity | <p>Operational technology refers to hardware and software used to directly monitor and control physical devices, processes, and industrial equipment. Examples include building systems monitoring, traffic management devices, route optimization software, and building access control systems.</p> <p>This audit will assess the effectiveness of the cybersecurity controls framework related to the City's use of critical operational technology. Due to the sensitive nature of operational technology cybersecurity, this report will be presented to Audit Committee in private.</p> |

DATA ANALYTICS AUDITS

ETS Ridership Measurement

These audits will assess risks, controls, and compliance through data analytics.

The Edmonton Transit Service (ETS) uses data from automated passenger counters on transit vehicles to measure total transit ridership.

We will use data analytics to assess the accuracy, completeness and reliability of ETS' transit ridership measurement.

Building Assets Inventory System

The City's Building Assets Inventory System stores data on the City's building assets including the status of the building, the physical condition rating, the estimated value of the building, and the size.

We will use data analytics to test the effectiveness of access controls, and the accuracy, completeness, and reliability of the City's building assets inventory system.

ADVISORY PROJECTS

These projects allow us to provide proactive advice prior to and during the development and implementation of projects, programs, and systems. Other advisory activities we undertake include serving on select corporate committees; this allows the OCA to provide control-related advice throughout the project.

We will also undertake additional advisory projects throughout the year as requested by Administration. As these projects are not yet known, they are not listed in the Annual Work Plan.

Non-Profit Leasing

The City of Edmonton provides individual spaces or properties to over 150 non-profit organizations. After a review of the City's Non-Profit Leasing Guidelines (1999), the Real Estate Branch and an interdepartmental team is updating policies and working to implement approved recommendations.

We will support this work by reviewing draft documents and advising the team of potential risks related to updates, before the team submits them for approval.

Enterprise Risk Management

Enterprise Risk Management (ERM) provides the City with a framework for identifying, assessing, and mitigating risks. ERM allows organizations to make decisions that are based on a comprehensive understanding of potential threats and opportunities. In 2025, we completed an audit on the maturity of the City's enterprise risk management program against best practices.

We will continue to support Administration as it grows and strengthens the City's ERM program.

AI Governance

The City of Edmonton uses artificial intelligence (AI) in a number of ways, such as analyzing and summarizing City text data and documents, mapping safety incidents to predict where future responses may be needed, or determining whether some safety code inspections can be automatically passed. The City also has access to the Google Gemini AI tools.

We will advise the Administration on its efforts around governing the use of AI and potential enhancements to stay current with this ever evolving field.

INVESTIGATIONS

Per the City's Fraud and Whistleblower Protection Administrative Directive, the City Auditor has primary responsibility for investigating suspected fraud. We perform investigations to prove or refute alleged fraudulent behaviour or misconduct by a City employee or other parties. We receive these allegations from City staff via the City's Fraud and Misconduct Hotline (which we administer), or directly from Administration, Council, or the public. We also maintain a public [dashboard](#) that provides information on reporting and investigation activities.

We will also continue to support the City's fraud risk management efforts by maintaining the City's fraud awareness website, posting fraud prevention tips and facilitating fraud awareness presentations throughout the organization.

RECOMMENDATION FOLLOW-UP

We will monitor all outstanding audit recommendations and review the actions taken by Administration to implement the recommendations. If Administration has met the intent of the recommendation, we will close it.

We will periodically provide Audit Committee with reports on the status of outstanding recommendations, including revised due dates, and which recommendations we have closed. We also maintain a [public dashboard](#) that provides an up-to-date summary of the status of outstanding recommendations, including due dates and distribution by City departments.

EMERGING ISSUES

These are audits or advisory projects that we undertake during the year that are not listed in the Annual Work Plan. OCA staff might identify these projects during a scheduled audit, or City Council, Administration, or a member of the public may bring the project to the attention of the City Auditor. The City Auditor assesses their importance and risks, and uses discretion to assign resources to these emerging issues. We include an appropriate resource allotment in the work plan to address these unforeseen issues.