



OFFICE OF THE
City Auditor

Office of the City Auditor

2014 Third Quarter

Activity Report

November 25, 2014

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1. Audit Plan Progress Monitoring

Bylaw 16097, *Audit Committee Bylaw*, Section 5 states that the “Committee assists Council in fulfilling its oversight responsibilities by reviewing reports from the City Auditor.” This quarterly report provides the Audit Committee with an update on the Office of the City Auditor’s (OCA) third quarter activities and the status of our *2014 Annual Work Plan* activities. To date in 2014, we have provided the following 17 reports to City Council and Audit Committee members.

- Building Permit and Inspection Services Audit – *February 6, 2014 Audit Committee*
- Capital Projects Advisory Assistance – *February 6, 2014 Audit Committee*
- Fleet Safety Audit – *February 6, 2014 Audit Committee*
- 2013 Municipal Election Audit – *April 24, 2014 Audit Committee*
- Community Programs Review – *April 24, 2014 Audit Committee*
- 2013 Annual Report – *April 24, 2014 Audit Committee*
- OCA 2014 First Quarter Activity Report – *April 24, 2014 Audit Committee*
- Public Involvement Audit – *June 9, 2014 Audit Committee*
- Information Protection Readiness for Securing Personal Information – *June 9, 2014 Audit Committee*
- Social Media Review – *June 9, 2014 Audit Committee*
- Automated Photo Enforcement Review – *September 8, 2014 Audit Committee*
- Google Procurement Process Review – *September 8, 2014 Audit Committee*
- Landscaping Securities – *September 8, 2014 Audit Committee*
- OCA 2014 Third Quarter Activity Report – *November 25, 2014 Audit Committee*
- Follow-up of Recommendations for the Period October 2013 through August 2014 – *November 25, 2014 Audit Committee*
- City Streets Audit – *November 25, 2014 Audit Committee*
- South Edmonton Sanitary Sewer Installation Tender Review – *November 25, 2014 Audit Committee*

Table 1 on the following page provides an update of our progress toward completion of our *2014 Annual Work Plan*. The purpose of this table is to assist Audit Committee and Council in their governance role by enabling them to effectively monitor the OCA’s progress towards completing the approved Annual Work Plan.

Table 1 – 2014 Annual Plan Progress Monitoring

✓ - Completed projects and Audit Committee date report discussed

Project Description	Status	Audit Committee Date				
		Feb 6	Apr 24	Jun 9	Sep 8	Nov 25
Value for Money Audits						
Google Procurement Process Review	Complete				✓	
Automated Photo Enforcement Review	Complete				✓	
Building Permit and Inspection Services Audit	Complete	✓				
Fleet Safety Audit	Complete	✓				
Public Involvement Audit	Complete			✓		
Transportation Contributed Assets	In-Progress <i>February 12, 2015 Audit Committee meeting</i>					
City Streets Audit	Complete					✓
Corporate Communications Branch	Not Yet Started					
Project Management and Maintenance Services	In-Progress					
Social Media	Complete			✓		
Landscaping Securities	Complete				✓	
Information Protection Readiness for Securing Personal Information	Complete			✓		
Community Programs	Complete		✓			
Investigations						
Investigation Projects	As required					
Hotline Administration	See 2.1					
Proactive Projects						
Performance Measures Validation	Multi-year					
Continuous Auditing	In-Progress					
Enterprise Risk Management Framework	Provide support to the Administration in their efforts to expand ERM corporately.					
Capital Projects Advisory Assistance	Multi-year	✓				
Police Commission 2014 Self-Evaluation	In-Progress <i>See 2.3</i>					
2013 Municipal Election	Complete		✓			

Project Description	Status	Audit Committee Date				
		Feb 6	Apr 24	Jun 9	Sep 8	Nov 25
Follow-up Reviews						
Follow-up of Recommendations	Complete					✓
Emerging Issues						
Community and Recreation Facilities Cash Controls Audit	Complete <i>February 12, 2015 Audit Committee meeting</i>					
South Edmonton Sanitary Sewer Installation Tender Review	Complete					✓
OCA Governance and Leadership						
Audit Committee Orientation	The City Auditor participated in an orientation session for the new Public Member.					
2013 Annual Report	Complete		✓			
2014 Annual Work Plan Progress	Complete <i>This report summarizes the status of our 2014 projects to date.</i>		✓			✓
2015 Annual Work Plan	Complete					✓
2015 Budget Submission	Complete					✓
Industry Sharing	Ongoing <i>We share our operating practices with various bodies to promote the internal audit profession.</i>					

2. Other Activities

The following section summarizes some of the additional activities and initiatives that we have been involved in during the third quarter of 2014.

2.1. Hotline Intake Services Request for Proposal

The City of Edmonton introduced its Fraud and Misconduct Hotline on January 2, 2007. The hotline is available 24 hours a day, seven days a week, all year round. Employees can provide anonymous reports using an online web reporting service or through professionally-trained live agents via a toll free telephone service. The agents are not responsible for investigation of the tips submitted.

The current contract with the existing intake provider expires on January 1, 2015. A Request for Proposal was issued on October 10, 2014 inviting submissions of proposals for Hotline Intake Services. The proposal closed on October 31, 2014. Configuration, personalization, and setup phase with the selected Hotline Intake Consultant will take place during November and December 2014. The hotline intake service and case management system will be in full operation by January 2, 2015.

2.2. Community and Recreation Facilities Branch Cashier Analysis

We continue to support the Community and Recreation Facilities Branch by providing them with an analysis of cashier transactions on a quarterly basis. We provide analysis of all cashier transactions at recreation and community facilities, including golf courses. We use specialized audit analysis software to determine the number of transactions completed by each cashier at each location. We also determine the number of times each cashier's till was over or short of funds at the end of their shift compared to the actual number of shifts they worked. The Branch uses this information to identify anomalies and potential training requirements.

2.3. Police Commission Self-Assessment

Since 2007, we have supported the Edmonton Police Commission's self-assessment exercise. The Commission monitors its progress towards achieving its priorities and strategic plan and annually assesses the need for adjustments. We are in the processes of consolidating the 2014 Edmonton Police Commission assessment survey results and preparing a summary report for the Commission's consideration. We will be presenting the results of the assessment to the Police Commission at their regularly scheduled December 18, 2014 meeting.

3. Staff Development

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 the encouragement to pursue training and professional certifications and to foster a positive working environment. Training is vital because it keeps us fresh professionally and with technology. As well, internal auditing standards require that our staff enhance their knowledge, skills and other competencies through continuing professional development. The following section summarizes some of the investment in professional development that we have made to ensure our professional staff remain current in key competency expectations and maintain their respective designation requirements.

3.1. Articles Published

Many of our audit staff members actively support the auditing profession by sharing their knowledge through supporting professional audit-related and other organizations. This includes publishing articles for these organizations. During the past quarter, the following OCA staff members had articles published.

- Lisa Callas, Audit Coordinator had an article published in the Association of Local Government Auditors Summer Quarterly titled “Internal Audit as an Agent of Change.”
- Bill Cook, Senior Audit Coordinator participated as a committee member in the development of a national standard of Canada for the Canadian Standards Association.
- Leslie Glasbeek, Audit Coordinator had an article published in the Association of Local Government Auditors Fall Quarterly titled “The Fraud Triangle and What Auditors Can Do About It.”

3.2. Fellowship Designations

Gordon M. Babey, Professional Engineer and Audit & FOIP Coordinator was recently recognized for his personal contributions to both the engineering profession and geoscience profession in Canada.

- Engineers Canada has bestowed the designation of Fellow upon Gordon in honour of exceptional contributions to the engineering profession. He has the privilege of using the designation “Fellow of Engineers Canada [FEC].”
- Geoscientists Canada elected Gordon as an Honorary Fellow in honour of his noteworthy service to the geoscience profession. The Canadian Council of Professional Geoscientists has bestowed the designation “Honorary Geoscientists Canada Fellow [“FGC (Hon.)”]. This designation is in honour of his commitment to achieve professional excellence through exceptional contributions to the geoscience profession in Canada.

3.3. Professional Certification

Professional certification is strongly encouraged within the OCA. The extensive variety of skill sets offered by staff members enables us to conduct most of our tasks with internal resources. Collectively, OCA staff members hold the following degrees.

- Bachelor of Commerce
- Bachelor of Business Administration
- Bachelor of Arts in English
- Bachelor of Science in Civil Engineering
- Bachelor of Science in Mechanical Engineering
- Bachelor of Science in Electrical Engineering
- Bachelor of Management
- Master in Public Administration
- Master of Business Administration
- Master of Divinity
- Master of Arts in Social and Economic History
- Master of Science in Civil Engineering
- Master of Arts in Communication and Technology

Professional designations held by OCA staff members include the following:

- Certified Internal Auditor
- Certified Fraud Examiner
- Certification in Control Self-Assessment
- Certified Information Systems Auditor
- Certification in the Governance of Enterprise Information Technology
- Certified General Accountant
- Certified Management Accountant
- Chartered Accountant
- Certified in Risk Management Assurance
- Qualified Administrative Assistant
- Professional Engineer

The following four individuals within the OCA recently added to their existing professional background.

- In October 2014, we recognized Lisa Callas who successfully passed her Certification in Control Self-Assessment (CCSA) exam. The CCSA certification recognizes expertise in risk and control methodology, and proficiency in leading and facilitating group identification and discussion on risk and control self-assessments.
- In March 2014, we recognized Sophia Kasozi who successfully obtained her Certified Information System Auditor (CISA) designation by successfully meeting the professional and examination requirements. The CISA certification is a globally accepted standard of achievement among information systems (IS) audit, control and security professionals.
- In February 2014, we recognized Thomas Wong and in January 2014, we recognized Paul Ebenezer, who successfully passed the Certified Internal Auditor (CIA) exam. The Certified Internal Auditor (CIA) designation is the only globally-accepted certification for internal audit generalists. By completing the CIA examination, an auditor expands his or her knowledge in the internal auditing field, while allowing the auditor to demonstrate their commitment to the profession.

3.4. City Auditor/Auditor General Roundtable

On September 12, 2014, the City Auditor hosted an information sharing event with the Auditor General of Alberta and the City Auditor of Calgary. On a quarterly basis, the three Government auditors from Alberta strive to get together to discuss audit practices within their respective offices. This provides a unique and valuable opportunity to discuss common concerns and challenges, to share lessons learned, and to brainstorm amongst each other on solutions and best practices.

3.5. Canadian Municipal Audit Forum

On November 3 and 4, 2014, the City Auditor attended the first ever “*Canadian Forum for Municipal Auditors*” in Ottawa. The forum brought together municipal and local government auditors representing 16 jurisdictions across Canada. The forum was organized by the Canadian Comprehensive Auditing Foundation (CCAF). CCAF helps to strengthen public sector accountability by promoting effective performance audit and oversight of government operations. The forum was designed to foster dialogue and exchange perspectives on issues, strategies and best practices to support municipal and local government auditing.