

**OFFICE OF
THE CITY AUDITOR**

REPORT RECOMMENDATION FOLLOW-UP

Administration closed 11 recommendations.

There are 42 outstanding recommendations: 34 are not yet due and 8 are overdue.

AUGUST 14, 2025

Recommendation Dashboard

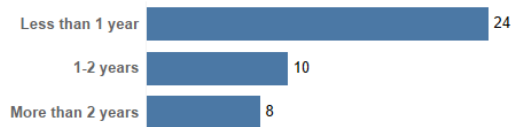


Office of the City Auditor - Recommendations Summary

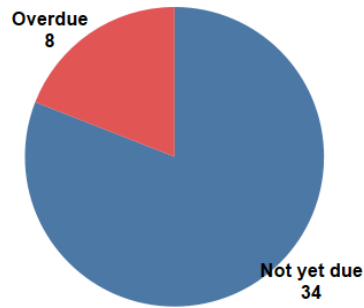
42

recommendations currently outstanding

Years since recommendation was made



Outstanding Recommendation Distribution



18

recommendations due in the next 6 months

3

recommendations closed in the last 30 days

11

recommendations closed since last report to audit committee

22

recommendations closed to date in 2025

87%

of recommendations due to date in 2025 closed on time

Outstanding Recommendations by Department



Closed Recommendations

Since our last report (June 9, 2025) Administration has **closed 11 recommendations.**

| Project Name | Department | Recommendation | Due Date | Closed Date |
|--|------------------------------------|---|-------------------|----------------|
| 1. Blatchford Development Performance Management | Integrated Infrastructure Services | Rec 4 - Regularly reporting on progress | June 30, 2025 | July 10, 2025 |
| <p>On April 15, 2024 we recommended that the Blatchford Redevelopment Office regularly report on its progress in achieving all goals, including explaining variances from expected results, to demonstrate accountability and transparency.</p> <p>The Blatchford Redevelopment Office provided a memo to Council with a performance management update and a commitment to provide ongoing monitoring and reporting through annual updates to Council. The performance management update included reporting measures and variance explanations for eight of the ten Blatchford goals. The Office presented the remaining two goals' measures and variance explanations to Council in the Blatchford Renewable Energy's Annual Business Plan updates.</p> | | | | |
| 2. Blatchford Development Performance Management | Integrated Infrastructure Services | Rec 5 - Develop action plans | June 30, 2025 | July 10, 2025 |
| <p>On April 15, 2024 we recommended that the Blatchford Redevelopment Office develop action plans to align efforts to address areas where performance does not meet expectations.</p> <p>In the performance management update memo to Council and the Blatchford Renewable Energy Annual Business Plan, the Blatchford Redevelopment Office included action plans for how they will achieve the targets for measures with significant variances.</p> | | | | |
| 3. City Governance of Fort Edmonton Park | Community Services | Rec 1 - Update governance documents | December 31, 2024 | August 5, 2025 |
| <p>Revised due date:</p> | | | | |

December
31, 2025

On October 3, 2022, we recommended that the City Manager facilitate updating of the Fort Edmonton Park Management Company governance documents to set clear long-term strategic goals.

On July 2, 2025 Council made the decision not to renew the Management Agreement with Fort Edmonton Management Company for the operation of Fort Edmonton Park, which is set to expire on December 31, 2025. The City of Edmonton will assume full operation of Fort Edmonton Park by January 1, 2026.

We closed this recommendation as it is no longer applicable.

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|--|--------------------|--|--------------------------|----------------|
| 4. City Governance of Fort Edmonton Park | Community Services | Rec 3 - Clarify City's funding approach of FEMCo | December 31, 2024 | August 5, 2025 |
| | | | Revised due date: | |
| | | | December 31, 2025 | |

On October 3, 2022, we recommended that the City Manager clarify the City's approach to funding the Fort Edmonton Management Company.

On July 2, 2025, Council made the decision not to renew the Management Agreement with Fort Edmonton Management Company for the operation of Fort Edmonton Park, which is set to expire on December 31, 2025. The City of Edmonton will assume full operation of Fort Edmonton Park by January 1, 2026.

We closed this recommendation as it is no longer applicable.

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|--|-----------------|--|---------------|---------------|
| 5. Dedicated Accessible Transit Service (DATS) | City Operations | Rec 1 - Update and use documented assessment guidelines for eligibility and review decisions | June 30, 2025 | July 10, 2025 |
|--|-----------------|--|---------------|---------------|

On January 30, 2025, we recommended that the Dedicated Accessible Transit Service (DATS) team update and use documented assessment guidelines for making eligibility decisions, and formally review these decisions to provide fair and consistent access to the service for those who need it.

The DATS team updated their eligibility process and related documentation. They created a standard pre-screening checklist that better tracks who requested an application form and who did not. They also revised their application forms, making them shorter for both the applicant and

health professional. They developed an updated decision-making key that aligns to the application form responses. This key helps guide the registration team in making eligibility decisions. Lastly, they have also developed and implemented a quality assurance process, whereby a sample of completed applications are reviewed each week to verify that registration staff made eligibility decisions in accordance with the key.

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| 6. Dedicated Accessible Transit Services (DATS) | City Operations | Rec 3 - Improve contractor monitoring and apply formal controls | September 30, 2025 | July 28, 2025 |
|---|-----------------|---|--------------------|---------------|

On January 30, 2025, we recommended that the Dedicated Accessible Transit Service (DATS) team improve how it monitors contractors and apply formal controls to help enforce contract terms and conditions.

The DATS team improved how it monitors contractors by:

- Documenting contractor vehicle inspections as part of their existing on-road auditing process. These inspections include driver's license, insurance, registration, and the commercial vehicle inspection certificate checks.
- Requiring and reviewing proof of contractor training completion.
- Documenting on-site meeting minutes that include discussions around service performance.
- Maintaining a contractor performance measure dashboard to track service assessment measures.

The DATS team also clarified its use of formal controls to help enforce contract terms and conditions. The team updated their contracts with contractors to make charging service assessments discretionary. These formal controls to help enforce contract terms are no longer mandatory when contractors do not meet service targets, however are available when needed.

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| 7. Fraud Risk Management Assessment | Multiple Departments | Rec 1 - Develop a Fraud Risk Management program | June 30, 2025 | June 20, 2025 |
|---|----------------------|---|---------------|---------------|

On November 7, 2024, we recommended that the City Manager and the Financial and Corporate Services Department develop a Fraud Risk Management Program that includes an overall owner of fraud risk management, and guiding documents that identify key stakeholders, roles and responsibilities, key performance indicators, and fraud risk management monitoring.

The Service Innovation and Performance Branch, with assistance from the Risk Committee, developed a Fraud Risk Management (FRM) Addendum to the Enterprise Risk Management (ERM) Framework. Rather than developing a stand-alone FRM program, Administration opted for

enhancing the ERM Framework through the Addendum. The Addendum incorporates FRM as a key element within the City's broader ERM Framework. This document aims to mature the existing framework by detailing specific principles of FRM and assigning accountability for fraud risk oversight, prevention, detection, and response. This integration will lead to a more comprehensive and robust approach to identifying, assessing, monitoring, and controlling fraud risks across the City.

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|----|--|----------------------------|---|---------------|---------------|
| 8. | Fraud Risk Management Assessment | Office of the City Manager | Rec 2 - Define City's fraud risk appetite | June 30, 2025 | June 20, 2025 |
|----|--|----------------------------|---|---------------|---------------|

On November 7, 2024, we recommended that the City Manager, as part of the City's Fraud Risk Management Program, define the City's fraud risk appetite.

Fraud Risk Appetite and Tolerance thresholds were developed as part of the Fraud Risk Management Addendum to the City's Enterprise Risk Management Framework Guide.

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| 9. | Fraud Risk Management Assessment | Multiple Departments | Rec 5 - Update the Fraud and Whistleblower Administrative Directive | June 30, 2025 | July 9, 2025 |
|----|--|----------------------|---|---------------|--------------|

On November 7, 2024, we recommended that the Financial and Corporate Services Department work with the Office of the City Auditor to review and update the Fraud and Whistleblower Administrative Directive.

The Service Innovation and Performance Branch, with assistance from Office of the City Auditor, City Clerk's Office, Employee Services, Legal Services, and Financial Services, updated the Fraud Administrative Policy, the Fraud Reporting and Investigation Procedure, and the Whistleblower Protection Procedure. The updates enhanced clarity, expanded information, and brought the documents in line with other related bylaws and policies.

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| 10. | Waste Collection Services | City Operations | Rec 1 - Improve service verification application data integrity | June 30, 2025 | June 26, 2025 |
|-----|---|-----------------|---|---------------|---------------|

On August 15, 2024, we recommended that the Waste Services Branch implement data assurance and control processes for its service verification application to improve data integrity for decision making and reporting.

The Waste Service Branch developed procedures for improving data integrity in the service verification application. These procedures aim to ensure data integrity and accessibility, and provide long-term storage for reporting, analysis, and operational purposes. This will support a more comprehensive and robust approach to identifying, assessing, monitoring, and controlling data quality in the service verification application, ultimately providing more oversight over the City's and resident collection patterns.

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| 11. Waste Collection Services | City Operations | Rec 2 - Enhance training and guidance documents for collectors to improve quality of data | June 30, 2025 | June 26, 2025 |
|---|-----------------|---|---------------|---------------|

On August 15, 2024, we recommended that the Waste Services Branch enhance training and guidance documents for collectors using the service verification application to improve the quality of the data available for management decisions.

The Waste Service Branch developed an Standard Operating Procedure (SOP) for bi-annual training sessions about waste bin set out events, and how to use the service verification application. The purpose of this SOP is to ensure that all collectors are appropriately trained on the usage of the service verification application to provide better and more consistent data. The bi-annual nature of the sessions ensures that new collectors will get the relevant training on set out and button usage. The completion of the sign off sheets will help track collectors who may not have received the training.

Overdue Recommendations

There are eight overdue recommendations.

Four recommendations are **more than one year overdue**.

Four recommendations are **less than one year overdue**.

| Project Name | Department | Recommendation | Months Overdue | Due date |
|---|----------------------------|---|----------------|--|
| 1. Safety Codes Permits & Inspection Services | Urban Planning and Economy | Rec 2 - Expand risk-based inspections | 22 | September 30, 2023 1st Revised due date: December 31, 2024 2nd Revised due date: December 31, 2025 |
| 2. City's Response to Homelessness | Community Services | Rec 3 - Develop performance measures and evaluate the homelessness plan | 18 | December 31, 2023 1st Revised due date: December 31, 2024 2nd Revised due date: December 31, 2025 |

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| 3. | Grants and Subsidies | Financial and Corporate Services | Rec 2 - Monitor and report on business area compliance | 16 | March 31, 2024 1st Revised due date: September 30, 2024 2nd Revised due date: September 30, 2025 |
| 4. | Grants and Subsidies | Financial and Corporate Services | Rec 3 - Evaluate grant programs and subsidies | 16 | March 31, 2024 Revised due date: September 30, 2025 |
| 5. | Civic Agencies Governance | Office of the City Manager | Rec 2 - Support Council to regularly review mandate | 7 | December 31, 2024 Revised due date: June 30, 2025 2nd Revised due date: December 31, 2025 |

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| 6. Historic Resource Management Program | Urban Planning and Economy | Rec 1 - Update guiding documents | 7 | December 31, 2024 Revised due date: June 30, 2026 |
| 7. IT Asset Management | Financial and Corporate Services | Rec 2 - Maintain accurate software license data | 7 | December 31, 2024 Revised due date: September 30, 2025 |
| 8. Cybersecurity Program | Financial and Corporate Services | Rec 9 - Made in Private | 1 | June 30, 2025 Revised due date: March 1, 2026 |

Administration provides the Office of the City Auditor with the revised due dates and rationale for the date for each recommendation that is overdue. We have assessed each of the revised dates as reasonable.

Recommendations Not Yet Due

There are 34 recommendations that are **not yet due**.

| Project Name | Department | Recommendation | Months until due | Due date |
|---|----------------------------|---|------------------|--------------------|
| 1. Dedicated Accessible Transit Services (DATS) | City Operations | Rec 5 - Improve strategic planning | 2 | September 30, 2025 |
| 2. Dedicated Accessible Transit Services (DATS) | City Operations | Rec 7 - Implement data validation controls and data quality assurance | 2 | September 30, 2025 |
| 3. Fraud Risk Management Assessment | Office of the City Manager | Rec 4 - Develop fraud risk assessment methodology | 2 | September 30, 2025 |
| 4. Facility Maintenance Services | City Operations | Rec 4 - Monitor staff | 4 | November 30, 2025 |
| 5. Affordable Housing Funding Decisions | Community Services | Rec 2 - Review individual application scores | 5 | December 31, 2025 |
| 6. Affordable Housing Funding Decisions | Community Services | Rec 5 - Improve below market sales agreement monitoring | 5 | December 31, 2025 |

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|-----|--|----------------------------------|---|---|-------------------|
| 7. | Cyber Security Program | Financial and Corporate Services | Rec 2 - Made in private | 5 | December 31, 2025 |
| 8. | Employee Business Expenses Data Analytics | Financial and Corporate Services | Rec 1 - Clear unapproved transactions and monitor future ones | 5 | December 31, 2025 |
| 9. | Dedicated Accessible Transit Services (DATS) | City Operations | Rec 2 - Update password requirements and destroy sensitive information | 5 | December 31, 2025 |
| 10. | Dedicated Accessible Transit Services (DATS) | City Operations | Rec 4 - Have a second individual review and approve contractor assessments and invoices | 5 | December 31, 2025 |
| 11. | Dedicated Accessible Transit Services (DATS) | City Operations | Rec 6 - Regularly review service model | 5 | December 31, 2025 |
| 12. | Dedicated Accessible Transit Services (DATS) | City Operations | Rec 8 - Update training materials and track training completion | 5 | December 31, 2025 |
| 13. | Environmental and Climate Governance | Urban Planning and Economy | Rec 1 - Formalize roles and responsibilities | 5 | December 31, 2025 |
| 14. | Environmental and Climate Governance | Urban Planning and Economy | Rec 2 - Build climate competencies | 5 | December 31, 2025 |
| 15. | Facility Maintenance Services | City Operations | Rec 3 - Determine workload capacity | 5 | December 31, 2025 |

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| 16. Fraud Risk Management Assessment | Office of the City Manager | Rec 3 - Enhance fraud awareness education | 5 | December 31, 2025 |
| 17. Facility Maintenance Services | City Operations | Rec 2 - Document and complete work orders | 6 | January 31, 2026 |
| 18. Facility Maintenance Services | City Operations | Rec 5 - Monitor safety requirements | 6 | January 31, 2026 |
| 19. Affordable Housing Funding Decisions | Community Services | Rec 1 - Improve guidance and supporting documentation | 7 | March 1, 2026 |
| 20. Affordable Housing Funding Decisions | Community Services | Rec 3 - Improve Affordable Housing Investment Program grant agreement monitoring | 7 | March 1, 2026 |
| 21. Affordable Housing Funding Decisions | Community Services | Rec 4 - Develop below market sales guidelines | 7 | March 1, 2026 |
| 22. Equitable Recreation Programming | Community Services | Rec 2 - Develop an integrated plan | 8 | March 31, 2026 |
| 23. Procurement System (Ariba) - User Experience | Community Services | Rec 1 - Improve process to review training gaps | 8 | March 31, 2026 |
| 24. Taxation, Assessment and Collection System | Financial and Corporate Services | Rec 1 - Establish a governing body for the Taxation, Assessment and Collection System application | 8 | March 31, 2026 |

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| 25. Taxation, Assessment and Collection System | Financial and Corporate Services | Rec 2 - Implement Taxation, Assessment and Collection System application risk management | 8 | March 31, 2026 |
| 26. Facility Maintenance Services | City Operations | Rec 1 - Update governing documents | 10 | May 31, 2026 |
| 27. Equitable Recreation Programming | Community Services | Rec 3 - Identify and track minimum objectives for each programming type and individual program | 11 | June 30, 2026 |
| 28. Environmental and Climate Governance | Urban Planning and Economy | Rec 3 - Develop a monitoring evaluation framework | 11 | June 30, 2026 |
| 29. Environmental and Climate Governance | Urban Planning and Economy | Rec 4 - Improve climate-informed decision making | 11 | June 30, 2026 |
| 30. Procurement System (Ariba) - User Experience | Community Services | Rec 2 - Monitor and address frequent Ariba tickets | 11 | June 30, 2026 |
| 31. Equitable Recreation Programming | Community Services | Rec 4 - Develop documented guidance | 14 | September 30, 2026 |
| 32. Cyber Security Program | Financial and Corporate Services | Rec 5 - Made in private | 17 | December 31, 2026 |
| 33. Waste Collection Services | City Operations | Rec 3 - Assess the division of internal and external service providers for collection services | 17 | December 31, 2026 |

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|--|------------------------------------|---|----|-------------------|
| 34. Capital Asset Management | Integrated Infrastructure Services | Rec 2 - Guide development of Asset Management Plans | 29 | December 31, 2027 |
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Recommendation Follow-Up Process

BACKGROUND

Establishing a follow-up process to monitor and ensure that Administration has effectively implemented audit recommendations is an essential part of an effective audit process. It allows Council, Administration, and the Office of the City Auditor to know that prior recommendations and the risks that led to those recommendations have been addressed.

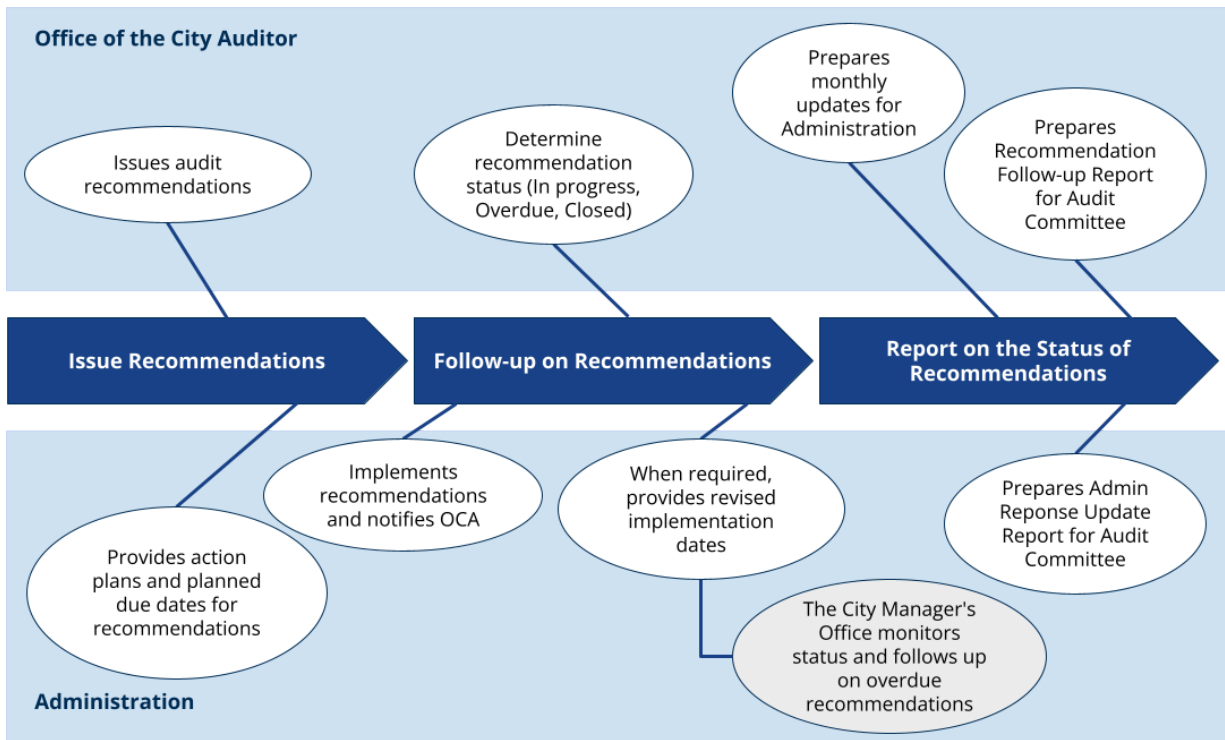
RECOMMENDATION FOLLOW-UP PROCESS

The Office of the City Auditor's follow-up process provides Council and the Administration with timely updates on commitments made in response to audit recommendations.

The recommendation follow-up process consists of three main activities:

1. Issuing recommendations
2. Following-up on recommendations
3. Reporting on the status of recommendations

The chart on the next page depicts the follow-up process and the roles of the Office of the City Auditor and Administration in the process.



REVISING ACTION PLANS AND DUE DATES

Administration sometimes needs to revise action plans and planned due dates as a result of unforeseen circumstances, such as competing priorities, changes in resources, and changes in industry requirements. We continue to track recommendation status based on the original due date, and provide the revised due date in this report.

CLOSING RECOMMENDATIONS

Once administration notifies us that they have implemented the recommendation, we interview appropriate business area staff and review documentation to evaluate administration's actions. We evaluate whether their actions have addressed the risks identified during the audit. We close the recommendation once Administration has met the intent of the recommendation.