

The logo for the City of Edmonton, featuring the word "Edmonton" in white sans-serif font on a dark blue square background.

Edmonton

The logo for the Office of the City Auditor, consisting of the text "OFFICE OF THE CITY AUDITOR" in white sans-serif font on a dark blue background, with a vertical white line to the left of the text.

OFFICE OF
THE CITY AUDITOR

2025 ANNUAL WORK PLAN

NOVEMBER 7, 2024

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 Bylaw 12424, City Auditor Bylaw, the City Auditor is responsible for all internal auditing activities within City Programs and City Agencies.

Bylaw 12424, City Auditor Bylaw establishes the position of City Auditor and delegates the powers, duties, and functions to that position. This includes:

- Providing independent, objective assurance and advisory services designed to add value and improve the City's programs.
- Assisting the City with accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- Co-ordinating fraud investigation activities.

Bylaw 16097, Audit Committee Bylaw, gives the Audit Committee the authority to approve the Annual Work Plan.

PROFESSIONAL PRINCIPLES AND STANDARDS

As audit professionals we uphold the principles of the professional associations we represent 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 are 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, and the Association of Certified Fraud Examiners.

Annual Work Plan Development

The Office of the City Auditor's (OCA) annual planning process is designed to focus on the risks that may impact the corporation'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, 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 approval at the last Audit Committee meeting of the year. Audit Committee 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. This will be reported in the first quarter of 2025.

2025 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: *Transforming the Future*

Neighbourhood Renewal Program

The City's Neighbourhood Renewal Program is focused on renewal and rebuilding of roads, sidewalks and street lights in existing neighbourhoods.

This audit will assess elements of the City's Neighbourhood Renewal Program for effectiveness and efficiency.

Audits in progress related to this corporate objective:

- Affordable Housing Funding Decisions
- Dedicated Accessible Transit Service (DATS)

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

Parking

The City oversees and regulates parking in a number of different settings including on street (including the residential parking program) and off street (select parkades). Parking operations include rate setting, operation of parking facilities, management of the parking app and pay stations, and the residential parking program. The City also oversees parking enforcement including operations and resources.

This audit will assess the City's parking operations for effectiveness and efficiency.

Capital Project

Using a risk based process we will select one or more small to medium scale capital projects (either in progress or completed) to audit.

This audit could include an assessment of project, contract, and risk management practices, as well as communication, performance measurement, cost, quality, etc.

Council and Council Committee Report Validation

City Council is the governing body of the municipal corporation and custodian of its legislative and administrative powers. The councillors and mayor work together to make decisions about plans, strategies and policies to govern the City, which is informed through reporting from the City Manager and Administration.

This audit would validate the information contained in a sample of Council and Council Committee reports.

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

Business Continuity Program

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.

This audit will assess the City's business continuity program against best practices, including a review of the adequacy of continuity plans.

Municipal Fleet Maintenance

Municipal fleet maintenance includes the preventative maintenance, repairs, custom fabrication, fuelling, and seasonal maintenance for all City vehicles and equipment.

This audit will assess the City's municipal fleet maintenance operations for effectiveness and efficiency.

Disability Management Program The City's Disability Management Program is a multi-faceted approach that aims to help employees remain at work as well as to support a timely and safe return to work. It is a coordinated effort between the employer and employees to reduce the occurrence and effect of illness and injury on workforce productivity, quality of life, and to promote employee engagement.

This audit will assess the City's disability management program against best practices.

**Enterprise Risk Management
Maturity Assessment**

Enterprise Risk Management is a process designed to identify potential events that may affect the organization, to manage risk to be within its risk appetite, and to provide reasonable assurance regarding the achievement of the organization's objectives. Inadequate identification of key risks to an organization increases the likelihood of bad events occurring. Improper identification can result in wasting resources on areas of low risk with little reward. It can also leave the organization more exposed to negative events.

This audit will assess the maturity of the City's overall Enterprise Risk Management Program against best practices.

Standing Agreements

Standing agreements are the contracts the City has with suppliers to provide specified goods or services on demand. This is done under specified conditions, during a set period, and at a predetermined price or discount structure. The City has standing agreements in place for items such as consulting services, furniture, office products, technology, and towing services.

This audit will assess the City's use of standing agreements, with a focus on value for money.

Accounts Receivable Function

The City's Accounts Receivable Function manages billing and collections for City-provided goods and services. This includes invoice preparation, customer support and account

management, collections, dispute resolution, credit assessments, and payment processing.

This audit will assess the effectiveness and efficiency of the City's Accounts Receivable Function.

IT Governance

IT governance is the processes that ensure the effective and efficient use of IT resources in enabling the City to achieve its goals.

This audit will assess the effectiveness of the City's IT Governance.

Audits in progress related to this corporate objective:

- Tax Assessment and Collection System Governance
- Procurement System (Ariba) - User Experience and Compliance

DATA ANALYTIC AUDITS

These audits will assess risks, controls, and compliance through data analytics. We have chosen two data sets to conduct audits on in 2025.

Software Licensing

We will use data analytics to test the extent of utilization of software licenses in the City and identify potential cost savings associated with underutilized licenses.

Employee Business Expenses

We will use data analytics to test controls in expense claims relative to the Employee Business Expenses directive. We will test whether expenses are appropriate and authorized based on provisions in the directive.

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.

2025 Municipal Election

We will provide proactive advice on risk and controls to the Edmonton Election Team as they prepare for the 2025 municipal election. We will also provide Election Day support in an as yet to be determined capacity. If required, we will provide a report to Council on the outcomes of this advisory project.

Development Permits Auto-Review Tool

The City issues development permits to applicants to ensure their proposed project meets applicable zoning regulations, as well as other restrictions (type of building being constructed, traffic and parking impact assessments, etc.). In September 2024, the Development Services Branch implemented an interactive auto-review tool for single and semi-detached developments in small-scale residential zones. This auto-review process enables the development permit to be issued within minutes if the application meets the requirements.

We will advise the Branch on its efforts to review this tool and potentially roll it out to other types of development permits.

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, in advance of them being put forward for approval.

Urban Planning and Economy Data Analysis

The Urban Planning and Economy (UPE) Department has a team of employees that provide internal data analysis services, including through the use of data visualization tools. As the team's maturity increases, there is an opportunity to leverage

best practices for documentation and standardization.

We will work with UPE to review these opportunities for improved documentation and standardization within data analysis team processes.

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 provide Audit Committee with a report on the status of outstanding recommendations, including revised due dates, and which recommendations we have closed. We also maintain a public dashboard that provides a 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.

EXTERNAL QUALITY ASSESSMENT

The Office of the City will undergo an external quality assessment, conducted by an independent, qualified assessor or assessment team in 2025. This assessment will evaluate and ensure we are conforming to the *Global Internal Audit Standards*.

Our last external quality assessment was completed in 2020.