
Business Objective Review

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Introduction

In December 2003, City Council approved three additional positions, with the expectation that the OCA complete a full cycle of comprehensive audits at the Branch level within an eight year cycle. During 2004 the Office of the City Auditor (OCA) conducted a high level review of all Branch operations within the Administration to assess the degree to which business objectives are being achieved. This high level assessment represents the first step in that commitment and facilitated the sequencing of Branches for comprehensive audits.

Business objectives represent a managerial commitment to achieving specific outcomes and results and for this reason the OCA focused its high level review on evaluation of these business objectives.

Objectives

The objective of this review was to assess all branch business objectives to facilitate the development of a Long Term Audit Plan for branch comprehensive audits.

Scope and Methodology

The OCA reviewed related business plans, budget information, and other documentation and conducted interviews with each branch management team in order to assess branch objectives. Specific activities included:

- Confirming branch objectives to ensure a common understanding of intended goals and services
- Identifying risks that could impact the achievement of branch objectives
- Assessing the maturity of risk management capabilities
- Discussing performance measures utilized to manage branch activities
- Determining how well business objectives align with overall corporate goals

Factors not independently assessed were operational size, public profile, and budget. These factors were, however, inherent in the discussions on risk, performance, and strategic alignment.

This project included all City operations that report to the City Manager. Areas outside direct City administration such as Edmonton Police Service, Edmonton Public Library, and Edmonton Economic Development Corporation were not included in this review. These other areas will be assessed during development of OCA annual workplans.

The OCA based its evaluations of each branch business objective on the following factors:

Risk Management

The OCA used the risk criteria from the City of Edmonton's Corporate Business Risk Planning (CBRP) model to assess risks identified by the management teams. CBRP is an established corporate risk management model used to identify and assess business risks. The criteria from CBRP reflect how risks impact business areas, the corporation, and citizens. The OCA also completed a risk maturity assessment which assessed the risk management capabilities of each branch. The maturity assessment considered the current state of formal risk management practices, the ability to identify risks, and an understanding of how business objectives are impacted.

Performance Measures

The OCA discussed and evaluated performance measures ranging from efficiency and effectiveness matters to quality of work life and innovation with each branch. Management also provided documentation demonstrating their use of performance measures.

Strategic Alignment

The OCA conducted a review of branch documentation to determine the degree to which branch business objectives were aligned with the six corporate goals defined within Plan Edmonton.

Results of the Assessments were consolidated for each branch and a prioritized list developed for the corporation. This listing along with consideration of recent audit projects and organizational reviews was used to develop the Long Term Audit Plan.

Summary of Results

The Long Term Audit Plan sequences all twenty-six City branches for comprehensive review over an eight-year cycle (Appendix 1). This cycle is based on the utilization of four to five OCA staff annually and an enhanced comprehensive review process.

The OCA plans to reassess branch objectives every three years to determine whether the sequential order is appropriate. This periodic reassessment is reflected in the Long Term Audit Plan by identifying specific branches in each of the upcoming three years (2005-2007) and listing all other branches in sequential order for review in the period 2008-2012.

The following are general observations made during our assessment:

Business Objectives: Branch business objectives are not presented in a consistent manner across the corporation. This does not impact the branches' ability in the achievement of their objectives, but does increase the difficulty for a third party, such as OCA, to assess or compare objectives of different branches.

Risk Assessment: The overall risk management maturity within City branches is at a developmental state with only formal risk practices in a limited number of branches. The OCA also observed that branches that provide services directly to citizens are typically exposed to a greater number of risks than branches that provide internal services.

Performance Measurements: Some branches have become quite advanced with formal performance measures and targets while an equal number struggle to define useful measures for their areas.

Strategic Alignment: All branch objectives were highly aligned with at least some of the corporate goals. However, documentation for most branches did not reflect full alignment with all six corporate goals.

Conclusions

While all branches have potential for improvement, no significant risks or deficiencies were identified that require immediate attention. The OCA believes the results of this review fairly represent the sequence in which comprehensive audits should be completed. The next step will be for OCA to conduct the detailed branch comprehensive audits in the order listed in the Long Term Audit Plan.

The OCA acknowledges the efforts and cooperation of all management teams with whom the OCA interacted throughout this review.

Appendix 1 – Long Term Audit Plan

OCA - Long Term Audit Plan for Comprehensive Branch Audits	
BRANCH	DEPARTMENT
Year 2005	
City Wide Services	Community Services
Transportation Planning	Transportation and Streets
Development Compliance	Planning and Development
Year 2006	
Finance	Corporate Services
Strategic Services	Community Services
Human Resources	Corporate Services
Office of the City Clerk	Office of the City Manager
Year 2007	
Recreation Facilities	Community Services
Communications	Corporate Services
Assessment and Taxation	Planning and Development
Years 2008 - 2012	
Neighborhood Social and Recreation Services	Community Services
Fire Rescue	Emergency Response Department
Parkland Services	Community Services
Law	Corporate Services
Edmonton Transit	Transportation and Streets
Mobile Equipment Services	Asset Management and Public Works
Strategic Services	Corporate Services
Information Technology	Corporate Services
Streets Engineering	Transportation and Streets
Emergency Communications	Emergency Response
Emergency Medical Services	Emergency Response
Land and Buildings	Asset Management and Public Works
Planning and Policy	Planning and Development
Drainage Services	Asset Management and Public Works
Waste Management	Asset Management and Public Works
Traffic Operations	Transportation and Streets