

Introduction

The Office of the City Auditor (OCA) reports directly to City Council through the Audit Committee. In accordance with Bylaw 12424, City Auditor Bylaw, the City Auditor is responsible for all internal auditing activities within City Programs and City Agencies. The OCA provides independent and objective review and consulting services to improve the City's programs by applying a systematic, disciplined approach to evaluate and improve the City's risk management, control and governance processes. We also administer the City of Edmonton's Fraud and Misconduct Hotline and coordinate fraud investigation activities within City Programs.

The OCA submits an Annual Work Plan to Audit Committee for approval. The approved Annual Work Plan defines the number of internal audits to be completed in the upcoming year. The OCA identifies City activities for review by utilizing a risk-based evaluation methodology, thereby focusing its efforts in the areas deemed most significant to the City achieving its objectives. Our office's activities result in proactive control design or corrective action recommendations in a final report to the Administration. Responses and action plans received from the Administration are also incorporated in our final reports. These reports are distributed to each member of Council and then publicly disclosed on the City of Edmonton's website. All reports are brought forward for discussion at Audit Committee meetings that are held in a public forum.



Governance and Accountability

The City's Audit Committee oversees the activities of the City Auditor and is guided by Bylaw 16097, *Audit Committee Bylaw*. Bylaw 16097 prescribes the powers, duties and functions of Council's standing committee for audit matters.

Transparency, accountability and openness are essential elements of good governance and help to enhance public trust. The OCA maintains a webpage on the City of Edmonton's public website to provide citizens and other interested parties access to our audit reports, Annual Work Plans and Annual Reports.

While we are independent from the City's Administration, we are also committed to effective communication with all of our stakeholders. We have an operational style that focuses on effective relationships with City Council and the Administration. This approach has significantly improved our effectiveness. Audit reports generate energy and encourage Administration to implement our recommendations and enhance City operations.

The OCA works very hard at understanding the issues and concerns facing the operations of the areas we audit. This has led to 100% of our audit recommendations being accepted by the Administration over the past 10 years. We also continue to research best practices, maintain open communications with our stakeholders and keep abreast of emerging issues to provide a value-added service to the City of Edmonton and the citizens of Edmonton.

In closing, as an independent audit office reporting on the efficiency, effectiveness and economy of City operations, we recognize the financial constraints under which the City operates. As in the past years, we again submit a cost containment budget for 2014.

Office of the City Auditor

Approved 2014 Budget Summary (\$000)

| | 2012 Actual | 2013 Budget | 2014 Budget | \$ Change '13-'14 | % Change '13-'14 |
|--|----------------|----------------|----------------|-------------------------|------------------------|
| Revenue & Transfers | | | | | |
| | \$ - | \$ - | \$ - | \$ - | - |
| Total Revenue & Transfers | - | - | - | - | - |
| Expenditure & Transfers | | | | | |
| Personnel | 1,706 | 1,981 | 2,017 | 36 | 1.8 |
| Materials, Goods & Supplies | 81 | 37 | 33 | (4) | (10.8) |
| External Services | 100 | 44 | 44 | - | - |
| Intra-municipal Services | 47 | 46 | 47 | 1 | 2.2 |
| Utilities & Other Charges | 51 | 57 | 54 | (3) | (5.3) |
| Total Expenditure & Transfers | 1,985 | 2,165 | 2,195 | 30 | 1.4 |
| Net Operating Requirement | \$ 1,985 | \$ 2,165 | \$ 2,195 | \$ 30 | 1.4 |
| Full-time Equivalents | 14.0 | 14.0 | 14.0 | - | |

Budget Changes for 2014 (\$000)

Expenditures & Transfers - Changes

Personnel \$36

Movement toward job rate and changes in benefits is \$36.

Material, Goods & Supplies (\$4)

There is a decrease of \$1 from Corporate Strategies related to copier savings. The additional decrease of \$3 relates to getting the budget in line with actual historical costs.

Intra-municipal Services \$1

This increase of \$1 relates to inflation on parking costs.

Utilities & Other Charges (\$3)

This decrease of \$3 relates to getting the budget in line with actual historical costs.

Office of the City Auditor

Approved 2014 Budget – Program Summary

(\$000)

Program Name - Office of the City Auditor

[Link to 10-Year Strategic Goals](#)



Results to be Achieved

Add value to the City of Edmonton by promoting accountability, cost-effective municipal services and ethical practices.

Cost Drivers

The OCA will initiate projects after considering the evolving corporate environment, risks, challenges and priorities. The extent of completion of audit projects is dependent on the approval of the OCA budget as submitted, the number of requests by City Council and Administration, the level of special investigations and other issues which may emerge during the year.

Service Standards

The OCA follows the International Standards for the Professional Practice of Internal Auditing (Standards), established by the Institute of Internal Auditors (IIA). These Standards require due professional care in conducting audits, professionally qualified staff, independence, adequate supervision and planning of audit work, reporting of audit results, and periodic review of the office's activities by outside professionals.

| Resources (\$000) | 2012 Actual | 2012 Budget | 2013 Budget | 2014 Budget |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Revenue & Transfers | \$ - | \$ - | \$ - | \$ - |
| Expenditure & Transfers | 1,985 | 2,152 | 2,165 | 2,195 |
| Subtotal | 1,985 | 2,152 | 2,165 | 2,195 |
| Intra-municipal Recoveries | - | - | - | - |
| Net Operating Requirement | \$ 1,985 | \$ 2,152 | \$ 2,165 | \$ 2,195 |
| Management | | 2.0 | 2.0 | 2.0 |
| Professional/Technical/Union Exempt | | 12.0 | 12.0 | 12.0 |
| Union | | - | - | - |
| Temporary | | - | - | - |
| Full - Time Equivalents | | 14.0 | 14.0 | 14.0 |

2013 Services

Provide independent, objective assurance and advisory services designed to add value and improve the City's programs.

Assist the City in evaluating and improving the effectiveness of risk management, control and governance processes.

Coordinate fraud investigation activities within City Programs or City Agencies.

Value-for-money, investigations, proactive projects, follow-up reviews, governance and leadership activities & emerging issues.

Changes in Services for 2014

The OCA's 2014 budget provides for a level of service similar to 2013. Projects completed will result in improving the overall operations of the City by strengthening management controls, improving accountability and helping Audit Committee with its governance and internal control oversight role.

Department — Office of the City Manager

Introduction

The City Manager is the Chief Administration Officer for the City of Edmonton as defined by the Government of Alberta Municipal Government Act and the City Administration Bylaw.

The Office of the City Manager provides overall corporate and strategic direction to the Corporation of the City of Edmonton. Corporate Communications and Intergovernmental and External Affairs are part of Office of the City Manager, along with an administration section.

Corporate Communications Branch is responsible for ensuring the City of Edmonton image, reputation and brand are maintained and enhanced. The two-way communications between Edmontonians and City staff who deliver services is strategically planned and supported by Corporate Communications. The Branch is responsible for media relations, on-line communications planning, public involvement, crisis management, advertising and publications.

Intergovernmental and External Affairs Branch develops, implements and supports strategies and initiatives to assist the City of Edmonton in fostering relationships with and influencing other orders of government and external stakeholders. The Branch is also responsible for attracting major events to Edmonton.

Increasing the City of Edmonton workforce capacity continues to be a priority of the City Manager. This includes:

- working as a corporation by acting as “one city”;
- having clear roles and responsibilities;
- focusing on citizens and their experiences with City services;
- continuing to strengthen accountability and transparency;
- setting and monitoring performance measures that measure progress on implementing the six *Ways* plans; and
- engaging employees in the goal of fostering innovation to deliver more responsive, cost-effective services, and enhancing the confidence and trust of Edmontonians.

Branches and Programs

| Corporate Communications | Intergovernmental and External Affairs | City Manager’s Office |
|--------------------------------------|--|-----------------------|
| Public Communications | Intergovernmental Affairs | City Manager |
| Internal Communications | Events/External | |
| City Image, Reputation and Marketing | | |