

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. It also administers the City of Edmonton's Fraud and Misconduct Hotline and coordinates fraud investigation activities within City programs.

The OCA submits an Annual Work Plan to the Audit Committee for approval. The approved Annual Work Plan identifies 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, focusing its efforts in the areas deemed most significant to the City achieving its objectives. The OCA'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 incorporated in 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 held in a public forum.

Governance and Accountability

The 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 audit reports, annual work plans and annual reports.

The OCA is independent from the City's Administration, and is also committed to effective communication with all its stakeholders. The operational style focuses on effective relationships with City Council and the Administration. This approach has significantly improved OCA effectiveness. Audit reports generate energy and encourage Administration to implement OCA recommendations and enhance City operations.

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



Office of the City Auditor

Approved 2015 Budget Summary

(\$000)	2013 Actual	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
Total Revenue & Transfers	-	-	-	-	-
Expenditure & Transfers					
Personnel	1,909	2,056	2,084	28	1.4
Materials, Goods, and Supplies	31	33	37	4	12.1
External Services	28	44	49	5	11.4
Intra-municipal Charges	46	47	48	1	2.1
Utilities & Other Charges	45	54	56	2	3.7
Total Expenditure & Transfers	\$2,059	\$2,234	\$2,274	\$40	1.8
Net Operating Requirement	\$2,059	\$2,234	\$2,274	\$40	1.8
Full-time Equivalents	14.0	14.0	14.0	-	

Budget Changes for 2015

(\$000)

Expenditures & Transfers - Changes

Personnel \$28

Movement toward job rate, changes in benefits and approved cost of living adjustment is \$28.

Material, Goods & Supplies \$4

These include increases for I. T. Lease Costs of \$3 and Google Licences of \$1.

External Services \$5

This amount is for the increased cost of the Hotline services contract.

Intra-municipal Services \$1

This amount is an increase for parking costs.

Utilities & Other Charges \$2

This amount is for the increased cost of professional memberships.

Office of the City Auditor

Approved 2015 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)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ -	\$ -	\$ -	\$ -
Expenditure & Transfers	2,059	2,165	2,234	2,274
Subtotal	2,059	2,165	2,234	2,274
Intra-municipal Recoveries	-	-	-	-
Net Operating Requirement	\$ 2,059	\$ 2,165	\$ 2,234	\$ 2,274
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

2014 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 and emerging issues.

Changes in Services for 2015

The OCA's 2015 budget provides for a level of service similar to 2014. 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.