



City of Edmonton
Office of the City Auditor

2017

Annual Report



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Message from the City Auditor



David Wiun City Auditor

Vision

"Committed to adding value"

Mission

"We strive to add value to the City of Edmonton by promoting accountability, cost-effective municipal services, and ethical practices."

In accordance with Bylaw 12424, [City Auditor Bylaw](#), the City Auditor is responsible for all internal auditing activities within City Programs and City Agencies.

As City Auditor, I am pleased to present the Office of the City Auditor's Annual Report for the year ended December 31, 2017. The issues that we have been involved with over the past few years have become more [diverse, complex, strategic, and political](#). As you read this report, you will see this reflected in the audit projects we completed in 2017.

We have increasingly become a [proactive partner](#) in driving cultural, process, and strategic changes in this organization.

Our audit reports have been a [catalyst for change](#) - both immediate and lasting. We continue to provide value to the organization through recommendations that identify potential [efficiency gains, improve operational effectiveness, and support more economical services](#) to citizens. As audit professionals, we remained committed to presenting accurate and convincing information that clearly supports our recommendations.

I am accountable to City Council through Audit Committee, not to City Administration. This [independence](#) allows my office to be objective, impartial, and resolute when reviewing City-related business and program activities.

Our office has made, and continues to make, a difference in improving [accountability](#). This is clear by the reactions Council, Administration, and the public have to our reports. Many of our reports generate debate in areas of public concern and deliver insight into the use of taxpayers' money and resources.

I am fortunate to have an [outstanding group of individuals](#) in this department that never take shortcuts when it comes to audit quality and in ensuring that our reports are balanced, unbiased, fair and well-supported.

I am proud of our accomplishments in 2017 and look forward to the opportunities in 2018.

David Wiun

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Public Reporting

The City Auditor forwards completed reports to members of Audit Committee and City Council. They are then available for discussion at an Audit Committee meeting.

The Office of the City Auditor operates under a [public reporting protocol](#) that requires audit reports to be issued publicly unless a specific exemption to disclosure exists under the Freedom of Information and Protection of Privacy Act (FOIP). In addition to being distributed to members of Audit Committee and City Council, reports are also distributed to the City Manager; the operational area(s) reviewed, and are made available to the public via the Office of the City Auditor’s website edmonton.ca/auditor.

Professional Principles & Standards

Bylaw 16097, Audit Committee Bylaw, states that Audit Committee has authority to receive “annual reports on the Office of the City Auditor’s compliance with professional standards.”

As audit professionals we must uphold the principles of all the professional associations we represent and those of the City of Edmonton.

Integrity Objectivity Confidentiality Competency

We follow the International Standards for the Professional Practice of Internal Auditing (Standards), established by the Institute of Internal Auditors (IIA). These Standards are the internationally accepted criteria by which the operations of internal audit departments around the world are evaluated and measured.

The Standards and the Bylaw both require the Office of the City Auditor to undergo an [independent external quality assessment](#) review at least once every five years. The Office of the City Auditor has had two Independent External Quality Assessments in the past seven years (2011 and 2015). The assessments evaluated compliance with the IIA standards and compared the Office of the City Auditor to leading practices in public and private sector organizations. In both 2011 and 2015, we achieved the highest rating an audit office can earn regarding compliance with the Standards.

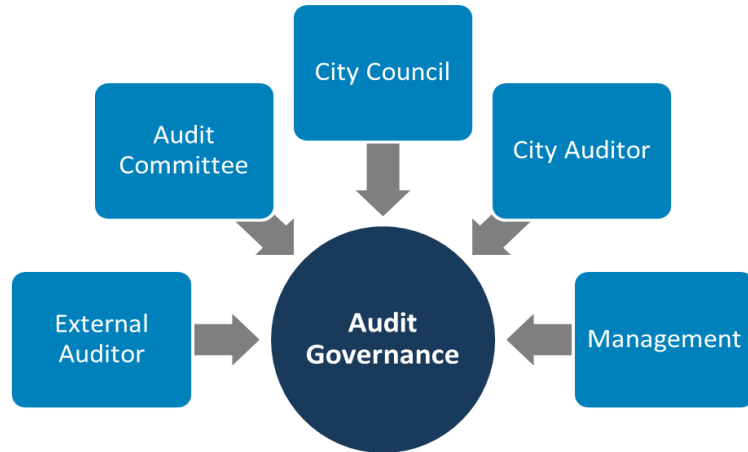
Our next independent external quality assessment is scheduled for late 2019. The review will cover the entire spectrum of audit and proactive services conducted by the Office of the City Auditor, to provide our stakeholders with [ongoing assurance on our professionalism and quality](#).

Audit Governance

Key Stakeholders

City Council
Audit Committee
City Auditor
External Auditor
Management

There are five key stakeholder groups that have a role in audit governance. The goal of each group, working both individually and collectively, is to ensure that the City effectively achieves its goals while providing assurance that City operations are being conducted appropriately and cost-effectively.



City Council is responsible for determining the needs of the citizens of Edmonton and subsequently providing policy direction to Administration. Administration is responsible for providing the services and activities required to appropriately address those needs.

Audit Committee and City Council rely upon the Office of the City Auditor to provide objective and constructive assessments of how efficiently, effectively, and economically Administration is fulfilling its mandate within the context of City Council's directives and policies.

The scope of audit work can include all phases of activities through which City Programs or City Agencies provide services to citizens. This means we go well beyond accounting and financial records in developing a good understanding of the operations under review.

The support and keen interest in our work that members of Audit Committee and City Council demonstrate, as we support them in their governance role, is appreciated. The Office of the City Auditor has a strong, open relationship with Audit Committee and City Council. This relationship is a critical contributor to our success.

The support and the cooperation extended to us by the City Administration is also appreciated. Continuing to nurture this mutual cooperation is conducive to our common goal of ensuring that the operations of the City of Edmonton are carried out in an efficient, effective, and economical manner.



2017 Projects

2017 Value for Money Audits

In 2017, we performed [eight](#) value for money audits and tackled some issues that were both challenging and highly sensitive. I believe that by auditing these issues, we were able to provide recommendations that will improve City services and provide [better value for citizens' tax dollars](#).

These projects determine whether a department, service, or program operates [efficiently, effectively, and economically](#) and whether [risks are appropriately mitigated](#). These audit reports were publicly discussed at Audit Committee meetings throughout 2017 and into early 2018.

Edmonton Police Service Staffing Audit April 12, 2017

The objectives of this audit were to determine if the Community Policing Bureau and the Investigative Support Bureau have [effective processes to determine staffing requirements](#) and to determine if the current [funding model](#) is effective at supporting the objectives of the Edmonton Police Service. We found that the Service has an effective process to determine staffing requirements and could benefit from less uncertainty regarding the City's funding formula.

Vendor Master File Audit June 29, 2017

The objective of this audit was to determine whether [key controls](#) over the Vendor Master File are [adequately designed, established, and operating](#) as intended. We found that there were opportunities to improve the design and operation of key controls.

Pedestrian Crosswalk Audit June 29, 2017

The objective for this audit was to ensure that the City of Edmonton's pedestrian crosswalk [program is managed effectively](#). We found that the City is managing an effective pedestrian crosswalk program. We found opportunities to improve the documentation around decision-making, guidelines for devices and crosswalk aesthetics, and monitoring effectiveness of crosswalks.

Competitive Procurement Evaluation Process Audit June 29, 2017

The objectives of the audit were to assess how well the City's competitive procurement evaluation process [aligns with the four public procurement principles](#) (fairness, openness, transparency, and accountability). We found several opportunities to improve alignment with the principles and made recommendations to improve the evaluation process and documentation.

Corporate Culture Audit

November 20, 2017

The objective of this audit was to review specific aspects of the **corporate culture** at the City of Edmonton, and **identify gaps** between the current culture and the desired, future state. We found that there were opportunities for corporate leadership to address culture issues through their ongoing transformation initiative.

City Pesticide Use Audit

January 22, 2018

The objectives of this audit were to assess if the City's Integrated Pest Management **Policy was clear and understandable**, whether the City was **following regulations** both on a federal and provincial level when applying pesticides, and whether the City was **managing pests effectively** and disclosing appropriate information to the public. We found that the clarity of the policy and public communication could be improved, and that deviations from federal and provincial legislation should be addressed.

Bridge Maintenance Audit

February 9, 2018

The objective for this audit was to determine if the City's bridge maintenance program is **compliant** with existing process and if the program is **effectively managed**. We found that the City is managing an effective bridge inspection program and there are opportunities to improve program effectiveness and governance.

Waste Services Audit

February 9, 2018

The overall objective of this audit was to assess whether or not Waste Services is able to achieve its vision, mission, and desired outcomes in an **efficient, effective, and economical** manner. We found a number of opportunities to improve the operation's efficiency, effectiveness, and performance monitoring.

All current and historical audit reports are available at edmonton.ca/auditor

Proactive Projects

These projects allow the Office of the City Auditor to provide [proactive, strategic, risk, and control-related advice](#) prior to and during the development and implementation of projects, programs, and systems.

Continuous Auditing – Cashier Transactions

We supported the Community and Recreation Facilities Branch by providing them with an [analysis of cashier transactions](#) for the first two quarters of the year. We also supported the branch as they began to undertake this reporting on their own. We provide analysis of all cashier transactions at recreation and community facilities, including golf courses. The Branch uses this information to identify anomalies and potential training requirements.

Fraud Awareness in the City

As part of the ongoing support to the City's Fraud Risk Management efforts, the Office of the City Auditor facilitated [5 Fraud Awareness presentations](#) throughout the City. A total of 485 employees attended these sessions in 2017. In addition, the Office of the City Auditor also continued to manage two websites on the City's internal website with information and tools on how to Recognize, Report and Stop Fraud. The Office of the City Auditor added two fraud prevention tips to the website (Victim of Fraud and Credit Card Fraud).

Edmonton Police Commission Self-Assessment

Since 2007, we have supported the Edmonton Police Commission's self-assessment exercise. The Commission [monitors its progress towards achieving its priorities](#) and strategic plan and annually assesses the need for adjustments. We presented the results of the 2016 self-assessment to the Police Commission at its regularly scheduled January 19, 2017 meeting.

Enterprise Risk Management and Program Area Risk Assessments

In 2017, the Office of the City Auditor further supported the Administration's efforts to expand the corporate role of Enterprise Risk Management. We [observed Branch risk register completion](#) sessions and [reviewed the results of the Branch risk assessments](#). We provided Administration with our findings and areas for improvement. We also incorporated the results into the risk assessment we use to develop our Annual Work Plan.

Performance Measures Validation

In 2017, we validated five corporate measures from The Way Ahead Progress Report 2016. We validated each of the five measures against criteria relating to reliability, understandability and comparability of the performance measure. The results of the Performance Measures Validation project were presented at the June 29, 2017 Audit Committee meeting.

Capital Projects Advisory Assistance

The purpose of the Capital Project Advisory Assistance multi-year project was to assess select capital projects prior to and during construction to determine if sound project management practices are being applied consistently and to what degree projects are meeting their intended goals. Between 2010 and 2016, we met with project management teams throughout the organization, provided feedback on major projects such as the construction of Rogers Place and the Walterdale Bridge, and worked with the Project Management Centre of Excellence to understand the changes that they were implementing to support better project management in the City.

In 2017, we engaged staff from the Project Management Centre of Excellence in an in-depth planning process. The purpose was to determine how the Office of the City Auditor could best add value - given the extensive organizational changes and changes to project management that have been implemented since this audit project was originally developed. We concluded that although the Office of the City Auditor adds value through our continued awareness and review of the work being done by the Project Management Centre of Excellence, we can achieve this through communication on a quarterly basis rather than structuring it as an audit project. As such, we have chosen to close this multi-year project at the end of 2017 and reallocate our audit resources to other capital and operational audit projects.

Recommendation Follow-up

We perform follow-up reviews to assess the adequacy, effectiveness, and timeliness of action taken by management on reported observations. Our audit monitoring program consists of [reviewing the status](#) of actions taken on recommendations in previously released audit reports with the appropriate management staff. It is intended to [provide assurance](#) that management has implemented the intent of our recommendation or to assess the rationale where action was no longer being taken or had been delayed. Throughout 2017, we presented Recommendation Follow-up Dashboard reports as a regular agenda item for each Audit Committee meeting. These reports highlight the status of our recommendations and any changes to planned implementation dates.

Governance & Leadership Activities

The Office of the City Auditor participates in a number of initiatives that support City Council and Audit Committee's governance responsibilities.

[Annual Report](#)

Bylaw 12424, City Auditor Bylaw, states that the "City Auditor will submit to Council an Annual Report." We issued the City Auditor's [2016 Annual Report](#) on April 3, 2017. The report summarized the activities of the Office of the City Auditor for the calendar year 2016.

[Annual Work Plan](#)

Bylaw 16097, Audit Committee Bylaw, Section 9 states that, "Committee has the power to approve the City Auditor's annual work plan and any changes to the work plan requested by the City Auditor within approved budgets." The Office of the City Auditor's annual planning process is designed to ensure that it prepares a risk-based work plan that adds value to the corporation through its execution. The Office of the City Auditor's [2018 Annual and Long Term Work Plans](#) were presented and approved at the November 20, 2017 Audit Committee meeting.

[Audit Committee Orientation](#)

We provide Audit Committee orientation to new members of the City's Audit Committee. After the [2017 Municipal Election](#), we participated in an [Audit Committee Orientation session](#). We provided training that outlined the governing relationships, roles, and responsibilities among City Council, Audit Committee, the Administration, the City Auditor and the External Auditor.



Fraud & Misconduct Hotline

Hotline Administration

The City Auditor Bylaw

states “The City Auditor will lead the implementation and operation of the City’s hotline.” It also requires the City Auditor to provide periodic reports related to overall hotline activity.

The hotline is available to City employees 24 hours a day, seven days a week, all year round, by phone or via the Internet.

The [Fraud & Whistleblower Protection Administrative Directive](#) prescribes procedures for the prevention, detection, reporting and investigation of suspected fraud, as well as the processes for reporting and resolving complaints of retaliation.

The City implemented its [Fraud and Misconduct Hotline](#) on January 2, 2007. The Office of the City Auditor has managed the hotline since its implementation.

Hotline [reporters are asked to anonymously answer questions](#) to validate information and to gather pertinent information should an investigation be initiated. Automatic email notifications immediately alert [authorized Office of the City Auditor employees](#) when newly submitted or updated reports are received. All information is stored on the service provider’s Canadian-based secure servers.

When reports are received, authorized Office of the City Auditor employees [conduct a preliminary screening](#). Depending on the nature of the complaints, we decide whether or not to initiate an investigation. Harassment and discrimination complaints are forwarded to the City’s third-party service provider. Reports on operational matters are referred to the City Manager.

In cases where the report has been referred to the City Manager, we asked the assigned [departmental managers to report back to us on the resolution](#) and any actions taken. The Office of the City Auditor reviewed all findings from reports investigated by the Administration to ensure that the investigations were thorough and that remedial action plans were sufficient.

All alleged fraud and misconduct reports are tracked, monitored, and reported using a common system. We input reports that we receive directly from employees via the City’s email, telephone, general mail, etc. into the hotline system with a unique identifier.

2017 Hotline Activity

In 2017, we received and reviewed a total of **73 reports** of alleged fraud or misconduct that we received by the service provider's website, phone service, or provided directly to the Office of the City Auditor.



62 reports were received through the web service



9 reports were received by the service provider's live agents by phone



2 reports were provided directly to the Office of the City Auditor

Hotline Report Topics

Report topics fall into a number of different categories.

73 reports were made to the hotline in both 2017 & 2016.

In 2017, reports related to **unethical conduct** and **conflict of interest** were the most common.



**Other category includes reports related to financial reporting and accounting, manipulation or falsification of data, and other miscellaneous reports.*

Disposition of Hotline Reports/Complaints

The Office of the City Auditor screens all hotline reports to determine the most appropriate way to address each one.

In 2017, the majority of reports were investigated or referred to an appropriate authority.

In 2017, the City of Edmonton changed its harassment and discrimination reporting process. Employees with harassment and discrimination complaints have access to an external consultant, separate from the hotline, and can submit complaints by phone, email, in-person visit or mail. We provided two reports received to the hotline to the external consultant responsible for investigating harassment and discrimination complaints.



Despite our attempts to obtain additional information through the hotline system, at times we were unable to act on some reports due to insufficient information. Employees may not provide the requested information because they may not be able to substantiate their complaint or may not check the status of their report on the system. They may also have addressed their concern through other resources or decided not to pursue further action.



2017 Investigations

Investigation Outcomes

As per the City's Administrative Directive A1454, Fraud and Whistleblower Protection, the City Auditor has primary responsibility for investigating suspected fraud and will involve the City Manager as appropriate,

Investigations are designed to [prove or refute alleged fraudulent behavior or misconduct](#) by a City employee or other parties.

In 2017, the Office of the City Auditor investigated 46 reports on fraud and misconduct in accordance with our internal procedures and guidelines, as well as professional standards. We gathered evidence to confirm or dispel the allegations reported. We also consulted with internal experts from [Corporate Security, Law, Human Resources, and other departmental staff](#) as appropriate.

Of the 46 complaints that were investigated, [29 allegations could not be substantiated or confirmed](#). Therefore, no further action was taken.

The remaining [17 allegations](#) were either confirmed or led to recommendations.

All employees participating in the review and/or investigation of reported allegations were required to maintain confidentiality and comply with the Freedom of Information and Protection of Privacy Act.

In outcomes where the employee should have been aware of the performance and conduct expected, corrective actions or appropriate disciplinary action occurred. This may include dismissal. Decisions related to employee discipline are made by Administration.

Investigation Details

Redeeming rewards points for personal gain

In 2017, 17 allegations were confirmed or resulted in recommendations.

It was alleged that an employee redeemed the City's rewards points from a distributor for personal gain. The investigation confirmed that the [employee redeemed 1,047,900 rewards points from a vendor](#) for 6 flight e-gift cards valued at \$1,000 each. In using the eGift code numbers that were attached to the gift cards, it was validated that a total of \$5,463.16 of the \$6,000 had been spent. Based on the investigation, the allegation that an employee violated the City's Code of Conduct by redeeming the City's rewards points for personal gain was [substantiated](#). The employee was [disciplined](#) in accordance with the City's discipline policies.

Supervisor inappropriately spending time with employee

A complaint was received that a supervisor was inappropriately spending time with an employee (during work and non-work hours) to a point that there is a [conflict of interest](#) as a result of their friendship and working relationship. During the investigation, it was confirmed that the supervisor was a personal friend of the employee and they do spend time together outside of work. However, it was also confirmed that the [supervisor had taken steps to address the supervisory-subordinate working relationship](#) in order to remove actual or perceived favouritism. It was also confirmed that during a previous hotline investigation that the Supervisor had disclosed that they knew the employee from a previous employment situation, however did not elaborate that the two were also personal friends. While no conflict of interest was confirmed, it was recommended that the Director [counsel the Supervisor](#) on the expectation that when questioned on matters under investigation, that all answers must be full and complete, and contain all appropriate information.

Training of employees

It was alleged that a supervisor at a City worksite was forcing staff to be trained on equipment that they did not wish to operate. Based on the available information, the allegation was unsubstantiated. However, during the investigation a number of communication issues with the supervisor were revealed. A plan was put in place with the goal of [improving the supervisor's communication skills](#). It was also recommended that there be regular and active participation by both union representatives and management at consultation meetings to discuss these types of issues. In addition, minutes should be provided of these discussions so that they may be disseminated to all staff.

Conflict of interest with a vendor

A complaint was received alleging a conflict of interest of a facility supervisor with a particular vendor. The report stated that [the facility supervisor is married to a sales representative of the vendor](#). The report alleged that this relationship led to some questionable purchasing decisions by the supervisor. Electronic and paper procurement files, correspondence, and information on the products purchased from the vendor were all reviewed as part of the investigation. Interviews were also conducted with various City of Edmonton employees involved with the procurement. It was determined that a [conflict of interest](#) did exist between the Facility supervisor and the vendor. It was also determined that the conflict of interest was disclosed to the Director of the area. However, proper controls were not put in place to protect the City. [The facility supervisor was immediately removed from any procurement processes where this vendor was involved](#). In addition, recommendations were made to the Director around greater accountability surrounding oversight, due diligence and stewardship of city resources.

Management oversight lacking over employees' time

It was alleged that two employees within a work area had a practice of [starting their work days late, going for long lunches, and leaving work early](#). It was confirmed that there was a flexible approach to time management in the work area that led to frustration amongst some of the employees. Steps were taken to clarify the guidelines around time schedules for the benefit of all staff. This included [communicating expectations](#) of reporting to work, use of work time and submission of time reports. It was also recommended that the Director of the area communicate with all time approvers the expectations of oversight and approval.

Leaving work early

A complaint was received alleging that an employee was **consistently leaving work** before their scheduled shift end time **without authorization**. The investigation revealed that the employee left the work site early on 45 of the 119 dates reviewed. It was recommended that a **letter be issued** to the employee reinforcing the City of Edmonton's requirements with respect to shift start and end times. The letter was to also include a warning that the **employee's activity will be monitored** and that any further transgressions will result in disciplinary action, up to and including termination of employment. In addition, it was recommended that a performance category be added to the **annual performance appraisal** form to reinforce adherence to scheduled shift start and end times. Finally, it was recommended that management issue a memo to all employees, stressing adherence to scheduled shift start and end times.

Mistaken payroll account identification

A concern was received from an employee after the employee received a call stating that their payroll would be cut for the next pay cycle because of a court order directing a garnishment of the employee's pay. The employee was told that they owed money to an external party. The **employee was concerned that they were a victim of fraud** as they had never borrowed money from this third-party. As the next pay cycle was to occur within a week, there was urgency to determine if there was a potential embezzlement. An investigation revealed that there were two employees with the same name within the City's payroll system. It was also confirmed that there was a court order for a garnishment for the wrong employee. **The issue was caused by a mix-up of identity**. The employee was immediately informed that their pay was not going to be garnished.

Misuse of City time and assets

A complaint was received that an employee was misusing City time and assets. The investigation found a violation of the Acceptable Use of Communication Technology and Code of Conduct directives. Electronic records reviewed over a two month period showed that the **employee was using City time and email to engage in personal affiliations and social sites**. The Information Technology Branch determined that this was not incidental use. The employee was also foregoing breaks in order to shorten the regularly scheduled hours. The employee was **disciplined in accordance with the City's discipline policy**. The employee was instructed to take the Code of Conduct course through the School of Business to ensure an up-to-date understanding of the Code requirements, and the employee's shift was adjusted to meet the required number of hours per day and operational requirements. Communication from Management was also provided to all employees focusing on hours of work, breaks, and the Acceptable Use of Communication Technology directive.

Improper recording of City time

A complaint was received alleging that employees were **not properly recording their time** and that this was occurring because of **inappropriate management oversight**. Unfortunately the reporter did not provide specific dates and times of inaccurate time recording. As a result, a review of overtime from January 2017 to June 2017 was conducted. For this time period, all **overtime was pre-approved** by the Supervisor. However, it was recommended that **communication around overtime practices should be improved**. It was recommended that expectations for working and reporting overtime be clarified with all staff. A process to implement check-ins/reviews was also recommended to ensure effective oversight.

Gaps in overtime verification

It was alleged that there were processes within a City business unit that would allow for increased opportunity for **time theft** to occur. The investigation revealed that staff within the business unit are mobile and have flexible hours; therefore there is an increased opportunity to abuse overtime. The level of flexibility around hours of work did not appear to be grounded in operational requirements. It was recommended that Management **reinforce the City's Code of Conduct** requirements, as well as the **standard operational procedures** around overtime. It was also recommended that the Director ensure that supervisors in the area understand their responsibilities around closely **monitoring overtime**. This includes ensuring overtime approval procedures are followed, so that the supervisors responsible can consistently validate the need for overtime against the work required.

Violation of the employee recognition program

A complaint alleged that an **employee going away event was funded by City of Edmonton funds** and held during City time and in a City owned building. A review of credit card records confirmed that approximately \$270 was paid for food and beverages for the event. The use of City funds to purchase food for this type of event is contrary to the guidance provided in the Corporate Employee Recognition Program. This event did take place during regular working hours for most of the employees invited. However, we were unable to confirm if the employees who attended were in breach of the City Time and Assets section of the Code of Conduct as people may have used coffee break and lunch break time to attend the event. The **\$270 was reimbursed by the Manager** of the business unit. In addition a letter was sent to staff reinforcing the Employee Code of Conduct and the Corporate Employee Recognition Program guidelines.

Allergic reaction

We received a complaint that an employee was having an [allergic reaction to two on-site cats at a work site](#). It was identified that there was an ongoing mouse problem in the work area mainly due to the location and environmental factors. Thus [two mouse cats were brought in to help address the issue](#). It was recommended that supervisors and management need to communicate to staff and future staff that, although the cats have a purpose at the facility, the employees' health concerns will be made priority and [other options will be reviewed](#) to address the mouse issue.

Manipulation of schedule

A complaint was received that two employees [manipulated a City facility work schedule](#) for one of the employees. The investigation revealed that the schedule was manipulated allowing an employee to pick up an extra shift the next day, which was in contravention of the legislated and contractual requirements for time between shifts. Legislation states that there needs to be 8 hours between shifts. By changing the actual hours worked, the [employee received an additional shift](#). Both employees were counseled in regards to their behavior. The [scheduling guidelines were updated](#) and communicated to all employees at the City facility. In addition, it was communicated that any exceptions to policies and procedures must be approved by the Supervisor and that the terms of legislation or the collective agreement must be followed.

Unprofessional behavior by a Supervisor

Prior to the implementation of changes to the discrimination and harassment reporting process, a complaint was received alleging unprofessional behavior by a supervisor including being ["belligerent and verbally abusive."](#) There was consensus among all the individuals interviewed that the supervisor's approach when communicating with one particular employee consisted of repeated, excessive and hostile comments. It was confirmed that the supervisor was going through some difficult personal and family issues; however, the supervisor's [behavior was unacceptable](#) and disrupted the civility and cooperation in the workplace. Thus, given the violation to the Respectful Workplace Directive, appropriate [corrective action was taken](#).

Using City computer for personal use

It was alleged that a City employee was shopping on the internet excessively during work hours. The investigation did show that the employee was on the internet for a number of legitimate business purposes, which included ordering routine office supplies and other work related searches. However, when reviewing the internet usage reports, there was also [personal usage that included online shopping and accessing social media](#). No offensive or disrespectful sites were identified. While the employee's internet usage fell within the parameters for [acceptable incidental personal use](#), it was reinforced to the employee that intermittent use (however short in duration) throughout the day is [not encouraged](#) and that the employee's internet use for personal reasons should be done during a defined lunch break.

Inappropriate use of parking pass

It was alleged that an employee used a [parking pass for personal use](#) to attend a hockey game at Rogers Place. It was determined that normal practice within the business unit is to pick up and drop off the parking passes at the start and end of the shifts for employees allocated to use the parking passes. An interview with the employee confirmed that they were aware that parking passes were to be used for work purposes only. The [employee admitted to inappropriately using the parking pass](#) to avoid paying for parking when they attended a hockey game. Thus it was substantiated that the employee misused a City asset and breached the Code of Conduct. Appropriate [corrective action](#) in accordance to the City's discipline policies was taken.

Conducting personal errands using City vehicle and on City time

An allegation was received that an employee was misusing City assets and time. GPS evidence and an interview with the employee [confirmed that the employee was utilizing a City vehicle for personal errands](#). In addition, the personal errands that the employee completed were within regular work hours. The [employee resigned](#) before the conclusion of the investigation. However, it was recommended that Labour Relations work with the Director of the area on a written reinforcement of expectations for all employees in this area.



Our Performance in 2017

Measuring our Performance

We strive to deliver high-quality, innovative and cost-effective audit services. To accomplish this, we measure key quality and efficiency indicators. This helps us to continuously improve our strategic performance and outcomes.

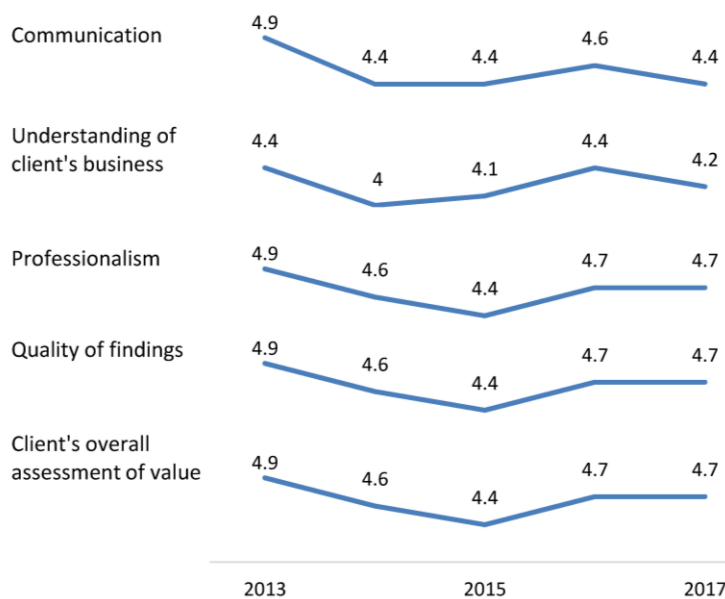
Measures include customer relationship indicators, effectiveness and productivity metrics, and alignment to audit best practices.

Each of these measures is an indicator of our success towards achieving our strategic vision and mission.

Customer Relationships

After each major project, we issue a customer satisfaction survey to obtain feedback on our performance and to identify areas where we can improve our operations. Audit clients score our performance on a scale of 1-5.

Our high customer satisfaction scores reflect our partner-focused audit approach.



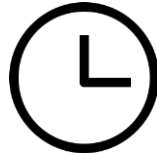
Effectiveness & Productivity

The Association of Local Government Auditors represents local government audit organizations in North America. Based on biennial surveys of member audit organizations, performance industry benchmarks have been identified.

We use several internal measures to monitor our effectiveness and productivity.



Administration accepted **100%** of our **recommendations**. The industry average is 92%.



84% of our **available time** is spent working on **projects**. The industry average is 72%.



100% of scheduled projects in the approved 2017 Annual Work Plan were **completed or partially completed** within the year. The industry average is 64%.

Best Practices

We have adopted industry best practices to optimize our productivity.



Use of a Fraud Hotline to enhance **accountability** and promote ethical operating practices



Use of computer-assisted audit techniques to optimize **productivity** by scrutinizing large volumes of data more efficiently



Use client questionnaire to monitor our **performance** and identify where we can improve



Use of audit management software to integrate and **automate** audit activities including long-range audit planning, working papers, document management, and performance management



Financial Perspective

Cost Effectiveness & Accountability

As an independent audit office reporting on the efficiency, effectiveness, and economy of City operations, we must operate in a **cost-effective and clearly accountable** manner.

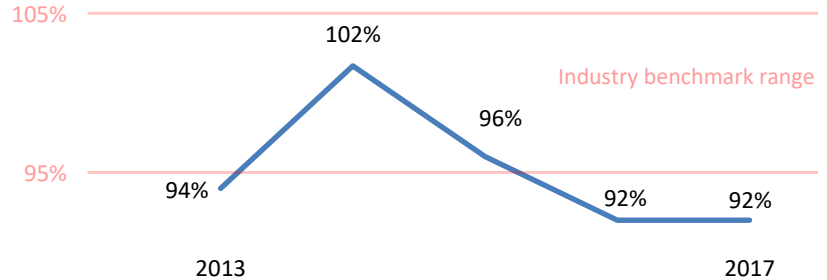
We have two measures that monitor our cost effectiveness.

Percent actual vs. budgeted expenditures

In 2017, our actual costs were 8% below budget. This was primarily due to a staff leave and a partial year vacancy.

Our budget variance is generally within the range identified as industry standard.

In 2017 actual costs were 8% below budget.

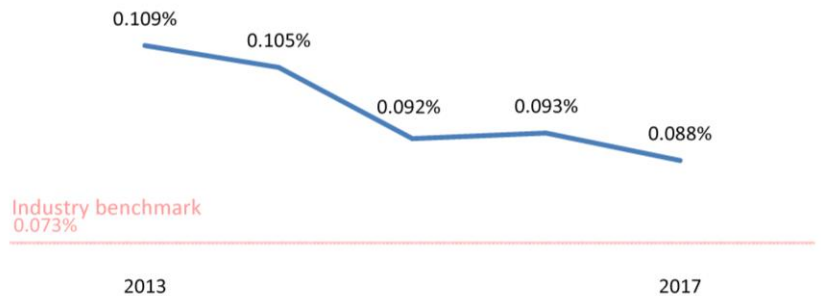


Audit department expenditures as a % of entire organization

There has been a steady decline in audit expenditures as a percentage of the organization because our resources have been stable while the corporation as a whole grew.

In 2017, our budgeted expenditures were less than 1% of the total corporate expenditures.

Audit expenditures as a percentage of the organization have been steadily decreasing.





Human Resources

Our Team

Staff

- John Bowers
- Chrisy Burton
- Lisa Callas
- Lance Cooper
- Queenena Dong
- Paul Ebenezer
- Leslie Glasbeek
- Sophia Kasozi
- Michael Lam
- Stephan Maslo
- Janine Mryglod
- Edwin Ryl
- Jason Solowan
- Becky Williams
- Thomas Wong

One of our goals is to maintain a **respectful, team-oriented workplace** that helps individuals reach their career potential and achieve personal growth goals. Strategies to help achieve this goal include providing encouragement to pursue training and professional certifications and to foster a **positive working climate**.

Delivering high quality reports efficiently and effectively requires a **competent, dedicated, and enthusiastic workforce**. We understand the importance of effectively managing our staff, developing, and providing our staff with opportunities to grow both personally and professionally. Our focus is to provide all our staff with a supportive environment that encourages them to achieve their personal goals, while simultaneously achieving the desired outcomes of the Office of the City Auditor.

The goals of the Office of the City Auditor were achieved in 2017 because of the staff's hard work, perseverance, and commitment to **delivering high quality, innovative, and cost-effective audit services**. With every audit we demonstrate our ability to willingly adapt and rise to new challenges and complexities.

100% of
audit staff have professional
audit certifications,
advanced designations
or degrees.

On average, staff
completed **6.8 days** of
City-funded training and
development to support
professional certifications and
skills.

Our overall
employee engagement
score is **94.4%**.
This measures the connection
employees have to their work,
emotional connection and
willingness to put in
discretionary effort.