

The logo for the City of Edmonton, featuring the word "Edmonton" in white text on a blue square background.

OFFICE OF
THE CITY AUDITOR

REPORT

Enterprise Performance Management

January 30, 2023

Report Summary

BACKGROUND

Enterprise performance management (EPM) is defined as the action an organization takes to improve its results by applying objective information for decision making. In 2018, the City adopted a policy which established its EPM framework. The goals for the EPM framework are to prioritize, measure, report, and improve the City's performance relative to what is important to Council and citizens.

The Service Innovation and Performance (SIP) Branch is responsible for developing and overseeing the framework. The SIP Branch relies on Department Strategy Sections to implement the framework in their respective departments.

The EPM framework includes representation from eight departments, including over 1,000 performance measures. EPM software is the main repository for enterprise performance measures. The software is used by the departments to track performance measures, and evaluate and report on their performance results.

AUDIT OBJECTIVES¹

Our audit objectives were to determine whether the:

- Service Innovation and Performance Branch implemented an effective framework for performance management to continuously improve City services.
- Departments have adopted the EPM framework and are effectively measuring and reporting performance to improve City services.

¹ We conducted this engagement in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

WHAT WE FOUND

Overall, the EPM framework is well-designed and aligns with good practices. SIP provided guidance and training to the departments, and the departments created measures that are specific, measurable, achievable, relevant, and time bound.

However, SIP is not monitoring the departments' implementation of the framework. This has led to inconsistencies in departments identifying targets and updating measures with actual results in the EPM software. There has also been limited analysis of performance measures.

The EPM framework provides guidance for evaluating performance measures. Evaluation includes assessing the cause, determining impact, and recommending the course of action. One department (Integrated Infrastructure Services) has evaluated most of its measures. However, the remaining seven departments have evaluated only some of their performance measures.

The EPM procedures document provides guidance for reporting performance results. It acknowledges that different internal and external stakeholder groups require different information. However, we found limited reporting on performance measures through the City's online dashboard. SIP has not reported on the majority of the performance measures to Council, citizens, Administration, and other stakeholders.

RECOMMENDATIONS

- Recommendation 1 We recommend that the Service Innovation and Performance Branch work with each Department Strategy Section to gather and input performance measurement data in the enterprise performance management software.
- Recommendation 2 We recommend that the Service Innovation and Performance Branch monitor the departments' gathering and inputting of performance measurement data.
- Recommendation 3 We recommend that the Service Innovation and Performance Branch work with each Department Strategy Section to regularly evaluate performance measures to assess their achievement of goals.
- Recommendation 4 We recommend that the Service Innovation and Performance Branch enhance operational and public reporting on performance measures to inform decision makers.

WHY THIS IS IMPORTANT

Performance measurement information helps various stakeholders make well-informed decisions. This can be achieved through better information, evaluation of that information, and transparent reporting.

Enterprise Performance Management Background

ENTERPRISE PERFORMANCE MANAGEMENT

EPM is part of the Strategic Planning Framework, which is a collection of plans that guide the City's work. In May 2018, the City adopted a policy establishing an EPM framework to prioritize, measure, report, and improve performance relative to what is important to Council and citizens. The policy was to be implemented through a phased approach, which was impacted by the pandemic in March 2020.

The policy outlines that the City will:

1. Define what is important to Council and citizens.
2. Measuring what is important using indicators or measures and associated targets.
3. Use the results of indicators or measures to realign resources to what is most important.
4. Report to Council and citizens on what is important.
5. Continuously learn and improve the system and services to increase value for tax dollars.
6. Align the organization with consistent performance management processes for all programs and services (measure development, data collection, result reporting, result review, and continual improvement).

Eight City departments are involved in the implementation of the EPM framework and use a performance management software that acts as a repository for over 1,000 performance measures. The departments input their measures into the software and include the following for each measure:

- The measure name.
- A detailed description of the measure and what is being measured.
- A description of the measure's target.
- A section to discuss the evaluation of the measure's performance.

- The frequency of how often the measure will be reported.
- How the measure is calculated.

ROLES AND RESPONSIBILITIES The Service Innovation and Performance (SIP) Branch's role is to oversee the implementation of the EPM framework. SIP's responsibilities are to:

- Contribute to the strategic planning framework through monitoring and measuring corporate performance.
- Deliver reporting expertise and integrate a common performance management system across departments.
- Monitor service performance across the organization in an effort to improve business metrics and foster a culture of accountability and transparency.

SIP relies on the Department Strategy Sections to implement the framework for their respective departments. The sections' responsibilities are to:

- Support the facilitation of data capture, input, and monitoring
- Analyze results and suggest action
- Support continuous improvement
- Deliver reporting expertise, and integrate a common performance management system within each department

Recommendation 1 and 2: Framework Implementation and Monitoring

RECOMMENDATION

We recommend that the Service Innovation and Performance Branch work with each Department's Strategy Section to gather and input performance measurement data in the enterprise performance management software.

We recommend that the Service Innovation and Performance Branch monitor the departments' gathering and inputting of performance measurement data.

KEY FINDINGS

The City has designed an EPM framework that aligns with good practices and provides guidance, through its policies and procedures, on the following:

- Planning what to measure for each service in accordance with the business plan
- Tracking information and data
- Reporting results
- Analyzing results and evaluating performance

The departments' performance measures are specific, measurable, achievable, relevant, and time bound. However, most of the departments are not entering complete performance measurement data into the EPM software and SIP is not monitoring the departments' implementation of the EPM framework. This has led to inconsistencies in identifying targets and updating measure results and performance evaluation in the software.

PERFORMANCE MEASUREMENT UPKEEP

We found that departments are only updating half of their performance measures in the software. Departments also did not develop targets for some measures. SIP is not monitoring the departments' implementation of the EPM framework for consistency and completeness.

There are over 1,000 measures inputted into the software, but we found that there is inconsistent upkeep by departments. For example, Integrated Infrastructure Services is updating measures in the software and includes targets for most measures, while the other departments are updating to varying degrees.

Some of these departments are updating measures in their own tools, such as spreadsheets or Tableau. The table below shows each department's entry of targets and actual results in the EPM software.

Percentage of Measures with Targets and Results

Primary department	Number of measures	% with targets	% with results
All	1,075	79.1%	52.9%
City Operations	218	86.2%	73.4%
Citizen Services	211	77.7%	44.1%
Office of the City Manager	172	69.2%	30.8%
Urban Planning and Economy	132	75.0%	31.8%
Financial and Corporate Services	127	87.4%	48.8%
Integrated Infrastructure Services	99	96.0%	94.9%
Communications and Engagement	68	48.5%	44.1%
Employee Services	48	85.4%	72.9%

Data source: City of Edmonton EPM Software. Reporting period considered is January 2022

There are multiple stakeholders involved in collecting and gathering performance measure information. Thus, it is important that SIP—which is responsible and accountable for the EPM framework—monitors whether it is being implemented consistently. In June 2022, SIP contracted a third party software and technology provider to transition to new software. The new software will only be effective if departments use it consistently.

WHY THIS IS IMPORTANT

Without complete performance measure information, it will be difficult to fully understand, assess, and report on performance.

**RECOMMENDATION 1
MANAGEMENT RESPONSE**

Work with each Department's Strategy Section to gather and input performance measurement data in the enterprise performance management software.

**Responsible Party**

Service Innovation and Performance Branch
Manager



Accepted by Management

Management Response

A newly developed user guide and internal enterprise data platform will support the EPM policy.

SIP will continue to provide one-on-one training and support to Department Strategy Sections and their departments on implementing and extending the use of EPM.

Performance information will be entered into the data platform which will be the repository for corporate and operational performance management information.

**Implementation Date**

September 30, 2023

**RECOMMENDATION 2
MANAGEMENT RESPONSE**

Monitor the departments' gathering and inputting of performance measurement data.



Responsible Party

Service Innovation and Performance Branch Manager



Accepted by Management

Management Response

SIP will develop processes for monitoring the internal enterprise data platform.

SIP will provide regular reports to Department Strategy Sections on use of the enterprise data platform by their departments.



Implementation Date

September 30, 2023

Recommendation 3: Performance Analysis

RECOMMENDATION

We recommend that the Service Innovation and Performance Branch work with each Department Strategy Section to regularly evaluate performance measures to assess their achievement of goals.

KEY FINDINGS

The EPM framework includes guidance on evaluating the performance measure results. This requires reviewing the trend and its potential causes, assessing performance impact of the continuing trend, and identifying potential actions to remediate. The Integrated Infrastructure Services Department is evaluating most of its performance measure results. However, the remaining seven departments have only evaluated some of their performance measures.

RESULTS EVALUATION

The EPM framework states that analysis is part of performance management to support decision making. The performance evaluation section in the EPM software, titled “What? So what? Now what?”, is meant to capture the reasons behind their results. The section asks departments to answer the following questions:

- “What” has caused the results to occur?
 - Looking at the trend, not specific data points
- “So what” if this performance continues?
 - Interpret what performance trends and existing actions may mean for objectives
- “Now what” should the departments do?
 - Based on the “What” and “So What,” what actions are recommended? Who will perform them?

We reviewed the “What? So what? Now what?” section in the software for measures included in the EPM framework. We found that Integrated Infrastructure Services performed analysis on most of its measures within the software.

Other departments also demonstrated that they were analyzing their performance outside the software. For example, City Operations performs performance analysis on select measures in branches such as Edmonton Transit Service and Fleet and Facility Services. This includes presentations on the trend and the reason behind it, and action plans in cases where measures were below target.

However, we found that most departments generally did not perform analysis on trends and impacts, or prepare action plans. For example, Communications and Engagement prepared reports for social media trends, including views on various platforms. However, these reports did not include subsequent action plans to address instances where measures were below target.

WHY THIS IS IMPORTANT

Without analyzing and evaluating performance measures departments may not understand the root cause of underperformance and take action to improve.

RECOMMENDATION 3 MANAGEMENT RESPONSE

Work with each Department Strategy Section to regularly evaluate performance measures to assess their achievement of goals.



Responsible Party

Service Innovation and Performance Branch
Manager



Accepted by Management

Management Response

Criteria for selecting measures and a process for EPM reporting are included in the new EPM user guide.

SIP will set requirements for EPM discussions on measures included in the enterprise data platform. EPM reporting and discussions at leadership meetings will be required quarterly.

Accountability will be determined by SIP, DSS teams and respective Branch representatives to ensure that EPM discussions occur and are recorded at both the branch and department levels.

**Implementation Date**

March 31, 2024

Recommendation 4: Reporting on Measures

RECOMMENDATION

We recommend that the Service Innovation and Performance Branch enhance operational and public reporting on performance measures to inform decision makers.

KEY FINDINGS

The EPM procedures document provides guidance on reporting performance results. It acknowledges that different internal and external stakeholder groups will require different information. Although a few measures have been reported on a public online dashboard, SIP has not reported directly to Council, citizens, Administration, and other stakeholders on the majority of the performance measures. There are plans to regularly report to Council and update public and internal reporting dashboards. The first performance measure report was presented to Council in late October 2022.

MEASURE REPORTING

The EPM policy indicates that the City will report to Council and citizens on what is important. The EPM procedures document provides guidance on reporting performance results. It acknowledges that internal and external stakeholder groups require different information to make informed decisions about the City's progress and performance. Therefore, the City should report performance results using a format best suited to helping each type of stakeholder to make informed decisions. For example, each of the following stakeholder groups view performance measures through different lenses:

- Council
- Public
- Executive, department, branch, and service leadership

We found that there has been limited reporting of the EPM measures. There are over 1,000 performance measures, but only a limited number are being reported on the public online dashboard. While not all measures are intended to be reported to the public, reporting of measures could be improved. The dashboard also includes additional information about each measure, such as:

- how it is calculated
- how often the measure is reported
- an analysis that comments on the performance of the metric.

The information provided on the dashboard is meant to provide insight to Council and citizens on how those specific measures are performing.

SIP plans to improve its reporting of EPM framework measures. This includes creating an annual report for Council and developing dashboards within the new EPM software. These plans are a work in progress. SIP presented its first report to Council in late October 2022. The report included performance measures in areas such as affordable housing and homelessness.

SIP is also in the process of implementing improvements to the public online dashboard. A draft version of the dashboard includes improvements such as:

- illustrating how ConnectEdmonton goals align with The City Plan
- grouping measures into categories or themes for understandability
- adding links to related City initiatives or policies for each measure

WHY THIS IS IMPORTANT

Regular reporting of performance measures may enhance transparency and accountability in the City's delivery of programs and services.

**RECOMMENDATION 4
MANAGEMENT RESPONSE**

Enhance operational and public reporting on performance measures to inform decision makers.

Responsible Party

Service Innovation and Performance Branch
Manager



Accepted by Management

Management Response

SIP will revise the Corporate Reporting Framework and introduce a schedule for regular strategic and corporate reporting to citizens, Council and Administration.

SIP will also update and maintain the Citizen Dashboard, expanding its ConnectEdmonton indicators to present ISO 37120 indicators, and City Plan and Corporate measures.

An executive-level dashboard will be developed along with department and branch pages, as well as a schedule for regular reporting to ELT.

Implementation Date

December 31, 2023

ACKNOWLEDGEMENT

We would like to thank the staff in SIP and the departments for their cooperation during the audit.