

Branch - Office of the City Auditor

**Program - Office of the City Auditor
Title - Budget increase to Support Execution
of the OCA Strategic Plan (2022-2025)**

**New or Enhanced Service
Unfunded
Ongoing**

Results to be Achieved

1) Achieve our Advanced Analytics and Innovation strategic direction by delivering on data analytics strategy and support the analytic needs of the audit and advisory projects. We will measure and assess our progress using the following performance measures:

Percentage of projects where analytics applied = 50%

Percentage of analytics projects in which management adopted Office of the City Auditor (OCA) analytics = 50%

2) Deliver value add audits with the support of subject matter experts on complex and technical audits. We will measure and assess using the following performance measure:

Percentage of audit plan completed = 85%

Description

The Office of the City Auditor's development of its 2022 - 2025 Strategic Plan was driven by the need to meet the City of Edmonton's changing environment. Some of the specific strategies in the plan include:

4.a. Implement a data analytics plan

4.b. Continuously monitor audit risks using data analytics

4.c. Regularly scan the environment for emerging trends

6.c. Supplement OCA services through subject matter experts

To effectively execute the strategic plan, we are asking the Audit Committee to support our proposed budget increase of \$230,000. Below is a summary of key budget requests:

Hire a data scientist	\$ 120,000
Obtain subject matter experts	150,000
Reduce parking expenses	(40,000)
Proposed 2020 Budget Increase	\$ 230,000

The proposed increase is offset by the OCA vacating Scotia Place and moving to City Hall in November 2021, saving the corporation \$216,126 in annual lease and utility expenses. These expense are not reflected in the OCA budget but is captured in the corporate budget.

Justification

We use an industry benchmark, percentage of OCA budget to City of Edmonton budget, to compare to other municipalities across North America. The source of this information is the 2018 Benchmarking Best Practices and Salary Survey published by the Association of Local Government Auditors. The Office of the City Auditor of Edmonton's budget with the proposed increase is still below the industry benchmark for a similar size audit office.

Percentage of OCA budget to City of Edmonton Budget (without proposed increase) 0.086%

Percentage of OCA budget to City of Edmonton Budget (with proposed increase) 0.094%

Association of Local Government Auditors Benchmark 0.100%

The OCA has not had an increase in our operating budget since 2017. The proposed budget increase will ultimately make our Office even more effective and efficient by applying analytics in our projects. With the added subject matter expertise, we will provide even better recommendations to add value and improve the City of Edmonton's services and programs.

incremental (\$000)	2019				2020				2021				2022			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
Annualization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Budget	-	-	-	-	-	-	-	-	-	-	-	-	\$230	-	\$230	1.0
Total	-	-	-	-	-	-	-	-	-	-	-	-	\$230	-	\$230	1.0