

# COUNCIL REPORT – OFFICE OF THE CITY AUDITOR

Edmonton

## ARTERIAL ROADWAY ASSESSMENT AUDIT

### RECOMMENDATION

That the June 17, 2022, Office of the City Auditor report OCA01290, be received for information.

#### Report Purpose

**Information only.**

### Executive Summary

This report presents the results of the Arterial Roadway Assessment Audit.

### REPORT

Arterial roadways serve as major transportation routes between different parts of the city. The Development Services Branch (Branch) administers the arterial roadway assessment program (ARA) and oversees the funding and construction of new arterial roadways.

Under the arterial roadway assessment program, developers pay for and construct the arterial roads. Developers within a specific area served by the arterial roads (a catchment) share the construction costs proportionately, depending on how many hectares of land they are developing. Administration determines the catchment areas, calculates the assessments and collects and disperses funds. They also set the cost per hectare for each catchment, which is approved by development industry members and Administration staff on the ARA Steering Committee. In this system there is no financial risk to the City as it is not building or paying to build the roads identified in the Arterials Roads for Development Bylaw.

Our audit objective was to determine if the Branch developed guiding documents that are clear and understandable, and administered the arterial roadway assessment program to meet program goals. Our focus was on administration of residential catchments and not industrial or commercial catchments.

## **ARTERIAL ROADWAY ASSESSMENT AUDIT**

We found that several important arterial roadway assessment administration processes in the guiding documents are not clear or are not aligned to current practice. The guiding documents are not clear on when a developer should add additional lanes. The current practice for the number of lanes developers initially build and the inclusion of contingency costs in the cost estimate are not consistent with what is described in the guiding documents.

We also found that the Branch has not documented the detailed calculations to determine the arterial roadway assessment cost per hectare. This includes not documenting the rationale for how the Branch estimates the costs per metre of certain roadway types and why engineering, administration, and contingency costs are included in the arterial roadway assessment cost per hectare calculation twice. As well, the calculation reviews performed by Branch staff did not identify or prevent some significant errors.

We made the following recommendations to the Development Services Branch:

- Update arterial roadway assessment guidance documents.
- Document the methodology for and review the arterial roadway assessment calculations.

## **POLICY**

Bylaw 16097, Audit Committee Bylaw, Section 14(d) states that, "Committee will review all reports from the City Auditor dealing with completed audit projects."

## **ATTACHMENT**

1. Arterial Roadway Assessment Audit Report