

**OFFICE OF  
THE CITY AUDITOR**

**REPORT**  
PUBLICLY REPORTED  
COMMUNITY INDICATORS  
VALIDATION AUDIT

**JUNE 6, 2024**

# Report Summary

## BACKGROUND

The City publicly reports the results of 36 community indicators on its [Open Performance website](#). The City uses these indicators to monitor the progress towards the strategic goals in ConnectEdmonton, Edmonton's Strategic Plan for 2019 - 2028.

The Service Innovation and Performance (SIP) Branch, within the Financial and Corporate Services department, manages performance monitoring, reporting and the Open Performance website. SIP collaborates with subject matter experts in different business areas of the City to create and update community indicator information. Business areas provide SIP with indicator information, which SIP then reviews with Corporate Communications and edits for understandability. SIP then publishes the edited information on the Open Performance website.

## AUDIT OBJECTIVE & SCOPE<sup>1</sup>

The objective of this audit was to validate a sample of publicly reported community indicators for reliability, understandability, and comparability.

We validated five indicators from the Open Performance website (Table 1). We ensured our sample included at least one indicator from each of ConnectEdmonton's four goals. Appendix 1 contains a brief description of the five selected indicators.

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

**Table 1: Selected Sample of Community Indicators**

Indicator Name	Indicator Category	Strategic Goal	Lead Department
<a href="#">Poverty</a>	Equity	Healthy City	Community Services
<a href="#">Sense of Safety</a>	Community Wellness	Healthy City	Community Services
<a href="#">Housing Diversity</a>	Housing Options	Urban Places	Urban Planning and Economy
<a href="#">Employment Growth</a>	Prosperity	Regional Prosperity	Finance and Corporate Services
<a href="#">Renewable Energy Use</a>	Energy Generation & Use	Climate Resilience	Urban Planning and Economy

The audit included a review of current results as well as up to five years of historical results, for each of the selected indicators.

## CRITERIA

We used the following criteria to validate each of the indicators in our sample:

### 1. Reliable

- Is the indicator based on data that can be replicated by an independent observer? Is it reasonably complete and accurate? Is it free from significant omission?
- Is the information obtained from independent sources that are credible and reliable, and is it presented consistently with the original source data?
- Has the indicator result been presented in a way that fairly represents the underlying data?

- Is there a clear link between the data used to calculate the indicator and the performance that it claims to represent?

## 2. Understandable

- Is the indicator presented with explanatory narratives that are precise, clear, and in plain, non-technical language? Do the contents focus on critical facts and information that enables users to obtain reasonable insights and draw reasonable conclusions?
- Does the presentation method (e.g., graph, table) ensure a reasonably informed user would correctly interpret the information?

## 3. Comparable

- At a minimum, are prior periods and current results presented?
- Has time series information (trends) or other appropriate comparators been provided?
- Does the comparative data give the user the context as to whether the performance is improving, stable, or deteriorating?
- Is the data used to produce the indicator prepared in a manner consistent with previous reporting periods?

## WHAT WE FOUND

Our review of the five community indicators found that four of the five indicators were reliable. However, we found that SIP could improve understandability for four of the five indicators and comparability for three of them.

Specifically, we found:

- One indicator had errors in the underlying calculations and matching to source information.
- The business areas responsible for four of the indicators could improve their understandability. For

example, one indicator misstated reporting frequency and lacked context to explain a significant year-to-year change in prior period results.

- The business areas responsible for three of the indicators could improve their comparability. For example, for one indicator the prior period results included in the chart were not based on the same methodology as the current results.

Before we published this report, the business areas updated their information and SIP has updated the Open Performance website to address all our findings.

While reviewing the community indicators we found areas where the SIP Branch, as coordinator and custodian of the Open Performance website, could improve its process to help reduce the types of errors we found:

- Although SIP collaborates with the business areas to create the community indicator information, there is no formal review process in place. SIP does not formally seek the business areas' confirmation that information is reliable, understandable, and comparable before publishing it on the Open Performance website.
- SIP could improve their internal review by comparing information received from business areas to what they publish. This would improve the accuracy of the information the City presents on the Open Performance website.

## RECOMMENDATIONS

### Recommendation 1

We recommend that the Service Innovation and Performance Branch, as coordinator and custodian of the Open Performance website, formalize and document the community indicator review process with business areas.

**Recommendation 2**

We recommend that the Service Innovation and Performance Branch formalize and implement a process of comparing the information on the Open Performance website to the information provided by business areas.

**WHY THIS IS IMPORTANT**

Reliable, understandable, and comparable community indicators help readers to draw insightful conclusions about the trends and understand progress towards strategic goals.

Implementing these recommendations will improve the reliability, understandability, and comparability of current and future indicators published using these processes.

# Community Indicator Program Details

## CONNECTEDMONTON

[ConnectEdmonton](#) is Edmonton's Strategic Plan for 2019 - 2028. It sets the direction for the City to realize its vision for Edmonton in the year 2050. The City's four strategic goals — Healthy City, Urban Places, Regional Prosperity and Climate Resilience—are the focus areas that require transformational change.



Each goal is divided into priority areas, each of which has various community indicators. The City uses 36 community indicators to measure progress in priority areas, and in achieving its strategic goals. These indicators represent a holistic way of understanding the community's current state.

## OPEN PERFORMANCE WEBSITE

Information on the 36 community indicators is published on the City's [Open Performance Website](#). This information comes from numerous data sources both within the City and from external organizations. The website's purpose is to make it easy for Edmontonians to find information and understand the City's progress on its goals. The Open Performance website launched in January 2024.

Given how recently the website has been published, reporting of these community indicators is still in its early go-live stage.

**KEY ROLES AND RESPONSIBILITIES**

The Service Innovation and Performance (SIP) Branch collaborates with subject matter experts in different business areas to create and update community indicator information.

**Service Innovation and Performance Branch**

The Strategic Management and Corporate Performance Section of the SIP Branch, within the Financial and Corporate Services Department, is responsible for managing the Open Performance website. SIP, throughout the course of the year, collects indicator information from business areas, as it becomes available.

SIP collaborates with Corporate Communications to develop narratives so that the information is easily understandable for the public. SIP then publishes the edited community indicator information on the Open Performance website.

**Business Area Subject Matter Experts**

Subject matter experts for each indicator work in different business areas. These experts collect source data for each indicator and use their set methodology to calculate the indicator's result. They provide these results to SIP. SIP consults subject matter experts for analysis and explanation of trends, and other information that may be relevant to users of community indicator data and the Open Performance Website.



# Formalize Review Process

## KEY FINDINGS

Business areas, as subject matter experts, are responsible for the underlying information for the City's Open Performance website. SIP publishes and updates the information on the website.

Our review of the publicly reported information for five community indicators found issues with their reliability, understandability, and comparability.

We found that SIP does not use a formal and documented review process to ensure that business areas have provided reliable, understandable, and comparable information for SIP to publish on the Open Performance website. Implementing this type of process would help to reduce the issues that we found in our sample of reported community indicators

## FORMALIZE BUSINESS AREA REVIEW

The current process for obtaining and posting community indicator content is as follows:

- Business areas provide SIP with the results and content for the indicators they are responsible for.
- SIP collaborates with Corporate Communications to edit the information they get from business areas. These edits are to make the information easier to understand.
- SIP publishes the edited information onto the Open Performance website.

We found that SIP assumed that business areas have checked the information they provide, to make sure it is reliable, understandable, and comparable. There is no formal confirmation that business areas have performed these checks. As well, SIP needs to consistently give business areas an opportunity to review and approve their edited information before publishing it.

Our review of the five community indicators found:

- One indicator had errors in the underlying calculations and matching to source information. The narrative also included inaccurate, missing, and inconsistent information.
- One indicator did not include critical facts in explaining the trend and time lag, and did not disclose a change in methodology.
- One indicator did not list data sources, included a potentially misleading conclusion, and used vague language.
- One indicator defined the type of change differently than other indicators, but this was not disclosed.

### WHY THIS IS IMPORTANT

As the coordinator and custodian of the Open Performance website, SIP is well-positioned to formalize and document that business areas have reviewed their indicator information. Having business areas, as the subject matter experts, perform a formal review of indicators will help SIP to ensure that the City presents information that is reliable, understandable, and comparable.

### RECOMMENDATION 1

As coordinator and custodian of the Open Performance website, formalize and document the community indicator review process with business areas.



#### Responsible Party

Branch Manager, Service Innovation and Performance



Accepted by Management

**Management Response**

SIP will develop a two-stage documenting process:

1. Have business areas confirm that the information being submitted is reliable, understandable and comparable as outlined in the audit; and
2. Have business areas approve the final charts and narratives prepared for publication.

SIP will develop templates and a workflow for the processes and develop a responsible, accountable, consulted and informed (RACI) model to outline the control process's roles, responsibilities and requirements.

**Implementation Date**

December 31, 2024

# Review Indicator Presentation

## KEY FINDINGS

SIP is the custodian of the Open Performance website. They are responsible for accurately presenting the indicator information business areas provide.

We found SIP does not have a formal process to compare what it presents on the Open Performance website with the information provided by the business area. This may have led to some of the inconsistencies we found in our review of the community indicators.

## INCONSISTENCIES IN REPORTING

SIP accurately presented two of the indicators on the Open Performance website. However, for the other three, there were inconsistencies between what SIP presented, and what the business areas provided.

Specifically, we found:

- One indicator for which the website stated the update frequency was quarterly, when business area information stated annually.
- One indicator for which the chart had mislabeled years compared to business information. This indicator also had repeated text in the narrative that was not present in the business area information.
- One indicator for which the title and methodology were inconsistent with business area information.

## WHY THIS IS IMPORTANT

A more thorough review by SIP should help to ensure that the information presented on the Open Performance website accurately represents the information provided by business areas.

**RECOMMENDATION 2**

Formalize and implement a process of comparing the information on the Open Performance website to the information provided by business areas.

**Responsible Party**

Branch Manager, Service Innovation and Performance



Accepted by Management

**Management Response**

SIP will develop a process for confirming that the material submitted and signed off by the business areas matches the information published on the Open Performance site.

**Implementation Date**

December 31, 2024

**ACKNOWLEDGEMENT**

We would like to thank the staff in Financial and Corporate Services, Urban Planning and Economy, and Community Services for their cooperation during the audit.

## Appendix 1 – Selected Indicators Description

<b>Poverty</b>	This indicator represents Edmonton households that do not have enough money to meet basic needs including food, clothing, and shelter as measured by those in low income status.
<b>Sense of Safety</b>	This indicator tracks Edmontonians' perception of safety in Edmonton. It measures the percentage of respondents to the Service Satisfaction Survey who report that, overall, Edmonton is a safe city.
<b>Housing Diversity</b>	This indicator tracks housing options so that the City can make sure there is enough supply to meet the diverse housing type needs of Edmontonians.
<b>Employment Growth</b>	This indicator measures the annual rate of change in estimates of the number of employed persons aged 15 years and older in the Edmonton census metropolitan area.
<b>Renewable Energy Use</b>	This indicator tracks the proportion of renewable energy use in Edmonton.

Visit the City of Edmonton's [Open Performance website](#) for more information on each of the indicators.