

Administrative Update to the Auditor's Dashboard

Recommendation

That the September 18, 2020, Office of the City Manager report OCM00009 be received for information

Executive Summary

The Administrative Update on Auditor Dashboard provides the status on audit recommendations that are more than six months overdue. For this reporting period, there are four recommendations that are more than six months overdue, as outlined below.

Report

18448 - Edmonton Transit Service Revenue Management Audit

Rec 5 - Document Performance Measures Methodology

Administration began a review of the ETS Performance Management Framework in the first quarter of 2020. The new EPM measures have been reviewed and documentation for the EPM Performance Measure Inventory is being finalized. This work was delayed due to COVID-19. However, the updated inventory will be completed for review at the end of September 2020.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by October 31, 2020.

18439 - Accounts Payable Audit

Rec 2 - Improve Controls over Accounts Payable Systems

Administration has implemented the following components of this recommendation:

- Periodically review user listings to restrict access to appropriate personnel
- Reconcile transactions between the invoicing application and the accounting system on a periodic basis
- Implement mitigating controls over identified incompatible roles

The following component of recommendation 2 remains outstanding:

- Implement a detective control to identify duplicate payments across multiple platforms

The delay in completing the above recommendation is due in part to the complexity of designing this control between multiple payment streams. A project plan has been developed that meets industry standards for fraud detection.

The project is on schedule and is expected to be implemented in December 2020

Expected implementation timelines for the following action items are:

- September 2020: Data mining of high risk data for purchase order and non-purchase order stream; create sample dashboard
- October 2020: launch reports for purchase order and non-purchase order stream; data mining of high risk data for credit card stream
- November 2020: launch reports for credit card stream
- December 2020: launch reports for cross streams

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by December 31, 2020.

19454 - Edmonton Economic Development Corporation (EEDC) Audit Rec 3 - Review and Update Objectives of EEDC's Innovation System

The responsibility for the innovation system has been transferred from Edmonton Economic Development Corporation to Innovate Edmonton, a new entity. Administration is preparing governing documents as the new entity is legally established, and the objectives for the innovation system will be updated by the CEO and the board.

In August 2020, a new board for Innovate Edmonton was recruited, with Council as sole shareholder of the new entity.

Recruitment for the Chief Executive Officer of Innovate Edmonton is underway.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by December 31, 2020.

19454 - Edmonton Economic Development Corporation (EEDC) Audit Rec 5 - Ensure Performance Measures are Sufficient, Reliable, Understandable and Comparable

EEDC is operating under their new name, Explore Edmonton. Administration has developed new funding agreements for Explore Edmonton and Innovate Edmonton that include specific performance reporting requirements. The reporting requirements will help Council assess how well these entities' are successful in implementing strategic and business plans, and reflect their mission and values.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by December 31, 2020.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Conditions of Success			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Timely closure of audit recommendations.	Number of audit recommendations more than six months overdue	Four recommendations are more than six months overdue:	Anticipated completion date:
		18448 - Edmonton Transit Service Revenue Management Audit Rec 5 - Document Performance Measures Methodology	October 2020
		18439 - Accounts Payable Audit Rec 2 - Improve Controls over Accounts Payable Systems	December 2020
		19454 - Edmonton Economic Development Corporation (EEDC) Audit Rec 3 - Review and Update Objectives of EEDC's Innovation System	December 2020
		19454 - Edmonton Economic Development Corporation (EEDC) Audit Rec 5 - Ensure Performance Measures are Sufficient, Reliable, Understandable and Comparable	December 2020

Others Reviewing

- M. Persson, Deputy City Manager and Chief Financial Officer, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations

- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- B. Andriachuk, City Solicitor