

Administrative Update on the Auditor's Dashboard

Recommendation

That the November 17, 2020, Office of the City Manager report OCM00017, 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 six 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, noting that many of the performance metrics at the time were established as proxy measures for outcomes during the original Enterprise Performance Management (EPM) project. This work was delayed by the COVID-19 pandemic. However, the new EPM measures have been reviewed and documentation for the EPM Performance Measure Inventory is being finalized. The updated inventory will be completed for review at the end of October 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 implementation of a detective control to identify duplicate payments across multiple platforms remains outstanding. The delay in completing the recommendation is due in part to the complexity of designing this control between multiple payment streams. Administration has developed a project plan that meets industry standards for fraud detection.

The work to address this recommendation is on schedule and is expected to be implemented in December 2020.

Administration is in the process of testing a sample dashboard. The expected implementation timelines for the remaining items are:

- 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.

**19456 - Ukrainian Canadian Archives and Museum of Alberta Investigation
Rec 1 - Clear Funding Agreement Terms and Conditions**

Administration has drafted an Administrative Policy for Municipal Funding Arrangements that sets out criteria and accountabilities for funding agreements. The Administrative Policy is currently under review before it will come to the Executive Leadership Team for approval. Administration is also reviewing and updating Administrative Procedures of Grants and Other City Contributions.

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.

**18448 - Edmonton Transit Service Revenue Management Audit
Rec 8 - Improve Safeguards for Fare Media**

In response to the Auditor's recommendation, Administration has completed staff training and is doing a final review of cash control recommendations to close the cash control review recommendations. This work was delayed due to COVID-19 and temporary staff layoffs.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by November 30, 2020.

19453 - Conflict of Interest Management Audit

Rec 3 - Ensure All Employees have Completed the Code of Conduct Training

The Code of Conduct training is being revamped to reflect recent updates to the Code and to build in a mechanism for employees to acknowledge their understanding. The training will replace the existing modules and will be communicated and relaunched in Q1 2021. As there are quite a few changes to the Code, all employees will be required to complete the revised training.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by June 30, 2021.

19453 - Conflict of Interest Management Audit

Rec 4 - Provide Ongoing Conflict of Interest Communication and Easily Accessible Information and Tools

Administration has updated OneCity with Code of Conduct information and is in the process of developing training materials that incorporate a risk-based approach. Once the Conflict of Interest training materials have been updated, these will also be posted on OneCity. In addition to the forthcoming training materials, Administration published two articles on OneCity ("Conflict? What Conflict?" and "Have You Seen a Red Flag?") and has sent email reminders to City staff about the requirement to comply with the Code of Conduct. In August 2020, Administration approved governance documents clarifying roles and responsibilities in relation to upholding the Code of Conduct to ensure all employees receive consistent information on conflict of interest. On October 30, 2020, a reminder regarding Code of Conduct awareness in relation to working from home was shared by email to all City of Edmonton staff.

Administration expects that final actions to fully implement the recommendation will be complete for review and closure by the City Auditor by November 30, 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	Six 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
		19456 - Ukrainian Canadian Archives and Museum of Alberta Investigation Rec 1 - Clear Funding Agreement Terms and Conditions	December 2020
		18448 - Edmonton Transit Service Revenue Management Audit Rec 8 - Improve Safeguards for Fare Media	December 2020
		19453 - Conflict of Interest Management Audit Rec 3 - Ensure All Employees have Completed the Code of Conduct Training	June 2021
		19453 - Conflict of Interest Management Audit Rec 4 - Provide Ongoing Conflict of Interest Communication and Easily Accessible Information and Tools	November 2020

Others Reviewing this Report

- B. Andriachuk, City Solicitor