

# Social Development Branch Audit

## Recommendation

That the November 17, 2020, Office of the City Auditor report OCA00144, be received for information.

## Executive Summary

This report presents the results of the Social Development Branch audit.

## Report

This audit had three objectives:

1. To determine if the Social Development Branch is effective.
2. To determine if the Social Development Branch evaluates value for money from its financial contributions.
3. To determine if the Social Development Branch has adequate processes and systems to manage its grants and other City financial contributions (financial contributions).

The Branch has clearly defined its purpose, role, and outcomes in the City of Edmonton's corporate documents. The Branch fulfills its purposes through a variety of roles and activities. These roles and activities are consistent with our research into the social roles of local governments. As an Investor, the Branch distributes and administers financial contributions to support and address a variety of social challenges in Edmonton. The Branch acts as a Partner and Convener by engaging and working with non-profit organizations and other stakeholders. Through policy and program development, the Branch also advocates to address the social challenges facing Edmontonians.

However, we cannot conclude if the Branch is effective for the following reasons:

- The Branch does not have an entity-wide process to ensure its activities consistently align with its role, purpose, and outcomes. Processes such as frameworks can enable the Branch to continually align, assess, and proactively respond to changing social conditions. This would also enable the Branch to continually ensure the effectiveness of its work in Edmonton.
- The Branch does not have an entity-wide process that evaluates the

achievement of its activities against its intended outcomes. Underlying processes to adequately collect, measure, and evaluate relevant data are inconsistent between some of the Branch's business areas or do not exist in others. This limited the quality of data needed to perform a reliable value-for-money assessment. With relevant data, evaluation models can then be used to compare investments in social activities against defined targets. In this way, the Branch can objectively determine how effective it has been with using taxpayers' dollars.

- The Branch needs to improve the adequacy of the administration processes for its financial contributions. Doing so will support effective management oversight, monitoring, and accountability of taxpayers' dollars through regular value for money assessments. Factors limiting the adequacy of these processes include:
  - Inconsistent monitoring of recipients' performance/compliance to terms;
  - Inconsistent use of systems to manage and monitor financial contributions;
  - Missing documentation such as agreements and performance reports;
  - Instances of duplicate payments;
  - Recording errors of recipient information; and,
  - Evaluation processes that are generally not designed to support the collection and evaluation of meaningful data.

We made three recommendations to the Branch to address our findings:

1. Implement and communicate a process that aligns the Branch's activities to its role, purpose and outcomes.
2. Implement a process that evaluates the Branch's activities and outcomes.
3. Improve the adequacy of the administration processes for financial contributions by:
  - a. Implementing a procedure that aligns with Administrative Directive A1460, defining how and what data will be collected, recorded, and reported for each type of financial contribution provided by the Branch.
  - b. Implementing a single and common system/tool/spreadsheet to record and monitor the Branch's financial contributions.

### 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."

### Public Engagement

Public engagement was not required for this report.

**Attachment**

1. Social Development Branch Audit Report