

Performance Measures Validation

Recommendation:

That the June 29, 2017, Office of the City Auditor report CR_4947, be received for information.

Report Summary

This report presents the results of the Performance Measures Validation.

Report

We selected the following five corporate measures from The Way Ahead Progress Report 2016 (the Progress Report) to validate:

- Measure 1.2 Edmontonians' Assessment: Well-designed Attractive City
- Measure 4.2 Travel Time and Reliability for Goods and Services Movement
- Measure 7.1 Fire Rescue Events
- Measure 9.2 Ecological Footprint
- Measure 10.2 City Asset Sustainability

Criteria

The criteria we used to validate each of the measures in our sample were as follows:

- 1. Criteria Relating to Reliability of Performance Measures**
 - a. Is the measure based on data that can be replicated by an independent observer? Is it reasonably complete and accurate? Is it free from significant omissions?
 - b. Is the information obtained from independent sources credible, reliable, and presented consistently with the original source data?
 - c. Does the measure result being presented fairly represent the underlying data?
 - d. Is there a clear linkage between the data used to calculate the measure and the performance that it claims to represent?
- 2. Criteria Relating to Understandability of Performance Measures**
 - a. Is supporting information precise and clearly stated in plain, non-technical language? Does it focus on critical facts and information that enables users to obtain reasonable insights and draw reasonable conclusions?
 - b. Does the presentation method (graph, table, etc.) ensure a reasonably informed user would correctly interpret the information?

3. Criteria Relating to Comparability of Performance Measures

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

The scope of our work covered all data and supporting information provided in the Progress Report that related to the sample measures. This included all comparative information in the graphs, and figures contained within the supporting information.

Reliability

Based on our review of the measure for reliability, we suggested changes to the results presented in three of the five measures we validated. The reasons why we suggested the changes included:

- To ensure the performance measure owners used complete and accurate data to calculate the results (e.g., in one measure we were not able to find support for all the data used to calculate the measure, therefore the measure results were recalculated using only supported data);
- To ensure there was a clear linkage between the data used to calculate the measure and the performance that it claims to represent (e.g., the calculation for a measure included a factor that was not related to the measure, it was removed from the calculation); and
- To ensure that the results fairly represents the underlying data (e.g., the methodology for a measure stated data was only collected during one time period, in actuality the data was collected during multiple time periods. The measure methodology was updated to reflect this change).

The performance measure owners made all of our suggested changes. We can conclude that the results presented in the final Progress Report for the five measures we validated are reliable.

Understandability

We suggested changes to the supporting information presented in the original draft of the Progress Report in four of the five measures we validated. The changes we suggested related to ensuring:

- The data source included under the graphs is complete (i.e., it includes sources for all the data used to calculate the measure).
- The descriptions of the methodology and target statements were correct, clear, and not open to interpretation.
- They did not include technical language.
- Any additional information provided (i.e., the information provided in the “About

- Our Progress” sections) was correct.
- The graphs and figures allow readers to draw the appropriate conclusion, for example whether or not the City is on track to meet its target for the measure.

The performance measure owner and Corporate Strategic Services staff made all of the changes we suggested. We can conclude that the results presented in the final Progress Report for the five measures we validated are understandable.

Comparability

We suggested changes to three of the five measures we validated to ensure current year results, prior year results, and targets were comparable. The reasons why we suggested the changes were:

- For one measure, the methodology for collecting data used to calculate the measure result significantly changed, therefore, prior period results were not comparable and we suggested removing them from the chart.
- For another measure, the methodology used to calculate the measure changed. Therefore, the prior period results and the target were not comparable. In this case, the performance measure owner was able to restate the prior year results and the target to ensure they were comparable with the current year results.
- For another measure, the methodology used to calculate the target was not consistent with the presentation of the annual results. In this case the performance measure owners included additional information on the 2016 and 2018 target to ensure it was comparable to the results.

The performance measure owner and Corporate Strategic Services staff made all of the changes we suggested. We can conclude that the results presented in the final Progress Report for the five measures we validated are comparable.

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.”