



AGENDA

AUDIT COMMITTEE

February 13, 2020, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Councillor E. Woolley, Chair
Councillor J. Farkas, Vice-Chair
Councillor D. Colley-Urquhart
Councillor J. Gondek, Vice-Chair
Citizen Representative L. Caltagirone
Citizen Representative M. Dalton
Citizen Representative M. Lambert
Mayor N. Nenshi, Ex-Officio

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Audit Committee, 2020 January 24
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
 - 5.2 BRIEFINGS
None
6. POSTPONED REPORTS
(including related/supplemental reports)
None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Audit Committee Strategic Working Group Update, AC2020-0082
- 7.2 2017 Municipal Election Follow-up Audit, AC2020-0196
- 7.3 City Auditor's Office 2019 Annual Report, AC2020-0223
- 7.4 Audit Committee 2019 Year-End Annual Status Report, AC2020-0177

8. ITEMS DIRECTLY TO COMMITTEE

- 8.1 REFERRED REPORTS
None
- 8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1 Audit Forum (Verbal), AC2020-0179
Held confidential pursuant to sections 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Privacy Act*.
- 10.1.2 External Auditor (Verbal), AC2020-0181
Held confidential pursuant to section 24 (advice from officials) of the *Freedom of Information and Privacy Act*.
- 10.1.3 City Auditor (Verbal), AC2020-0182
Held confidential pursuant to section 24 (advice from officials) of the *Freedom of Information and Privacy Act*.
- 10.1.4 Audit Committee 2018-2019 Self-Assessment Update, AC2020-0087
Report held confidential pursuant to sections 19 (confidential evaluations) and 24 (advice from officials) of the *Freedom of Information and Privacy Act*. **Review by 2035 February 13.**
- 10.1.5 City Auditor 2019 Performance Review (Verbal), AC2020-0178
Held confidential pursuant to section 17 (Disclosure to personal privacy) of the *Freedom of Information and Privacy Act*.

10.2 URGENT BUSINESS

11. ADJOURNMENT



**MINUTES
AUDIT COMMITTEE**

**January 24, 2020, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor E. Woolley, Chair
Councillor J. Farkas, Vice-Chair
Councillor D. Colley-Urquhart
Councillor J. Gondek
Citizen Representative L. Caltagirone
Citizen Representative M. Dalton
Citizen Representative M. Lambert

ALSO PRESENT: A/ Chief Financial Officer T. Nguyen
City Auditor K. Palmer
External Auditor H. Gill
Executive Assistant C. Smillie
Deputy City Clerk K. Martin
Legislative Coordinator S. Muscoby

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 9:35 a.m.

2. OPENING REMARKS

Councillor Woolley provided opening remarks.

3. CONFIRMATION OF AGENDA

Moved by Citizen Representative Caltagirone

That the Agenda for the 2020 January 24 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Audit Committee, 2019 December 06

Moved by Councillor Farkas

That the Minutes of the 2019 December 06 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 2019 City Manager's Risk Report, AC2020-0011

A presentation entitled "2019 Year-end City Manager's Risk Report" was distributed with respect to Report AC2020-0011.

Councillor Gondek introduced a group of Grade 7-9 students from St Jean Brebeuf School, along with their teachers Carla Leakos and Melissa Dingey.

Moved by Citizen Representative Lambert

That with respect to Report AC2020-0011, the following be approved:

That the Audit Committee:

1. Receives Report AC2020-0011 and the presentation for the Corporate Record and discussion pursuant to Bylaw 48M2012, Schedule A, Section 5; and
2. Forwards this Report to Council for the Corporate Record.

MOTION CARRIED

7.2 Integrated Risk Management Policy Review, AC2020-0022

A presentation entitled "Integrated Risk Management Council Policy Review" was distributed with respect to Report AC2020-0022.

Councillor Woolley left the Chair at 10:41 a.m. and Councillor Farkas assumed the Chair.

Councillor Woolley resumed the Chair at 10:44 a.m. and Councillor Farkas returned to his regular seat in Committee.

Moved by Citizen Representative Caltagirone

That with respect to Report AC2020-0022, the following be approved:

That the Audit Committee recommends that Council approve the revised Integrated Risk Management Council policy (CC011) in Attachment 2.

MOTION CARRIED

7.3 External Auditor 2018 Management Letter, AC2020-0065

Moved by Citizen Representative Lambert

That with respect to Report AC2020-0065, the following be approved:

That the Audit Committee:

1. Receives this Report and attachments for the Corporate Record; and
2. Recommends that Council receive this Report and attachments for the Corporate Record pursuant to Audit Committee Bylaw 48M2012, Schedule B, Section 1(f).

MOTION CARRIED

7.4 Audit Committee 2020 Work Plan, AC2020-0079

The Report entitled "Audit Committee 2020 Work Plan" was distributed with respect to Report AC2020-0079.

Moved by Citizen Representative Caltagirone

That the Audit Committee:

1. Approve that portion of the Audit Committee's 2020 Work Plan (Attachment 1) for meetings scheduled from 2020 February through December; and
2. Recommends that Council receive this Report and Attachments for Information and the Corporate Record in accordance with Bylaw 48M2012, Schedule A, Section 1(k).

MOTION CARRIED

7.5 City Auditor's Office 4th Quarter 2019 Report, AC2020-0118

Moved by Councillor Colley-Urquhart

That with respect to Report AC2020-0118, the following be approved:

1. That the Audit Committee receive this Report for the Corporate Record; and
2. That the Audit Committee recommend that Council receive this Report for the Corporate Record.

MOTION CARRIED

7.6 Annual Control Environment Assessment - Administration Update and Recommendation, AC2020-0023

Moved by Councillor Colley-Urquhart

That with respect to Report AC2020-0023, the following be approved:

That the Audit Committee direct Administration to:

1. Cease the current Annual Control Environment Assessment effective for the fiscal year end December 31, 2019, and develop and implement a project plan to identify, document, and test key internal controls over financial reporting at a demonstrable level as per the timelines set out in Attachment 2 for Option 2;
2. Provide annual updates to the Audit Committee on the status of the implementation of Option 2; and
3. Provide a report to the Audit Committee no later than Q3 2022 on the results of the testing of key internal controls over financial reporting for the 2021 year-end, with annual reporting thereafter.

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Citizen Representative Lambert

That pursuant to Sections 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move into Closed Meeting in the Council Lounge, at 11:37 a.m. to discuss confidential matters, with respect to the following items:

- 10.1.1 Audit Forum (Verbal), AC2020-0024
- 10.1.2 External Auditor (Verbal), AC2020-0025
- 10.1.3 City Auditor (Verbal), AC2020-0026

And further, that Harman Gill and Ivana Cvitanusic, External Auditors (Deloitte LLP), be invited to attend the Closed Meeting.

MOTION CARRIED

Committee moved into Public Meeting at 11:57 a.m. with Councillor Woolley in the Chair.

Moved by Citizen Representative Dalton

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Audit Forum (Verbal), AC2020-0024

People in attendance during the Closed Meeting discussions with respect to Report AC2020-0024:

City Clerks: K. Martin Advice: T. Nguyen, K. Palmer, H.Gill Observer: C. Smillie

Moved by Councillor Colley-Urquhart

That with respect to Report AC2020-0024, the following be approved:

1. That the Audit Committee thank Administration for their presentation; and
2. Direct that the closed meeting discussions remain confidential pursuant to Sections 24 (Advice from Officials) and 25 (Disclosure harmful to economic interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

10.1.2 External Auditor (Verbal), AC2020-0025

No report was given.

10.1.3 City Auditor (Verbal), AC2020-0026

People in attendance during the Closed Meeting discussions with respect to Report AC2020-0026:

City Clerks: K. Martin Advice: K. Palmer, A.Bleau Observer: T.Nguyen, C. Smillie

Moved by Citizen Representative Dalton

That with respect to Report AC2020-0026, the following be approved:

1. That the Audit Committee thank Administration for their presentation; and

2. Direct that the closed meeting discussions remain confidential pursuant to Sections 24 (Advice from Officials) of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

10.2 URGENT BUSINESS

11. ADJOURNMENT

Moved by Councillor Farkas

That this meeting adjourn at 11:59 a.m.

MOTION CARRIED

The following items have been forwarded on to the 2020 February 03 Combined Meeting of Council:

CONSENT:

- 7.1 2019 City Manager's Risk Report, AC2020-0011
- 7.2 Integrated Risk Management Policy Review, AC2020-0022
- 7.3 External Auditor 2018 Management Letter, AC2020-0065
- 7.4 Audit Committee 2020 Work Plan, AC2020-0079
- 7.5 City Auditor's Office 4th Quarter 2019 Report, AC2020-0118

The next Regular Meeting of the Audit Committee is scheduled to be held on 2020 February 13 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0082**

Audit Committee Strategic Working Group Update

EXECUTIVE SUMMARY

This report provides an update on the activities of the Audit Committee Strategic Working Group (SWG) established to review strategic matters of the Audit Committee. Included is a Report entitled "Summary of Findings – Outcomes of the Audit Committee 2019 Strategic Review" (Attachment) provided by the external consultant for this project.

ADMINISTRATION RECOMMENDATION:

That Audit Committee:

1. Receive this Report, Attachment and Presentation for the Corporate Record; and
2. Forward this Report and Attachment to Council for information.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2019 April 23 Audit Committee meeting a Strategic Working Group was established to review strategic matters of the Audit Committee (AC2019-0464).

BACKGROUND

On February 1 and 28 a two-part Strategic Workshop facilitated by Mistri Consulting was held for Audit Committee members and stakeholders. The desired outcome of the Workshop was to determine how the Audit Committee might fulfill a more strategic role. Seven strategies were developed from this Workshop as follows:

Audit Committee Strategies

1. Redefine the mandate and modernize the role of the Audit Committee
2. Set priorities for the Audit Committee so that important work is addressed first
3. Set aside time for strategic matters
4. Ensure that meeting agendas address the Audit Committee's priorities
5. Review the membership terms of Audit Committee members
6. Raise the profile of the Audit Committee with Council and Administration
7. Test City strategies by asking good questions and making strategic recommendations

At the 2019 April 23 Audit Committee meeting a Strategic Working Group (SWG) was established to undertake a review of strategic matters on behalf of the Audit Committee. Membership in the SWG consisted of the following Audit Committee members:

- Councillors E. Woolley
- Councillor G. Carra
- Citizen Member L. Caltagirone
- Citizen Member M. Dalton
- Citizen Member M. Lambert

The SWG was supported by Mistri Consulting, the City Auditor, Administration and the Executive Assistant to Audit Committee.

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0082**

Audit Committee Strategic Working Group Update

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Strategic Working Group conducted four workshops in 2019 Q3 and Q4 to consider:

1. Mandate of the Audit Committee – How can the Audit Committee achieve greater strategic impact?
2. Changes to Working Process and Practices – How can the Audit Committee change it's working process and practices to achieve greater strategic impact?
3. Development of the 2020 Work Plan – Development of the 2020 Work Plan to include strategic issues.

Following conclusion of the four workshops the SWG addressed the seven strategies by:

1. Recommending amendments to the Audit Committee's mandate (Bylaw 48M2012) emphasizing a more strategic role (Strategies 1, 3, 5, and 6)
2. Recommending changes to the working process to focus more on strategic issues (Strategies 1, 2, 3, 4, 6 and 7)
3. Reviewing how it interacts with Council, the Priorities and Finance Committee and Administration (Strategies 1, 3, 6 and 7)
4. Creating an Audit Committee 2020 Work Plan (Strategies 1, 2, 3 and 4) that:
 - Places more focus on topics of strategic importance to the City of Calgary
 - Streamlines and reduces routine reporting
 - Requests more dialogue with the City Manager and Chief Financial Officer
 - Allows additional time to identify and discuss strategic issues

In 2019 a Bylaw Review Working Group (BRWG) was created to consider amendments to the Audit Committee Bylaw 48M2012. The SWG have forwarded potential amendments to the BRWG. The anticipated completion of the bylaw review is 2020 Q2.

The Audit Committee 2020 Work Plan (Work Plan) was developed to include those strategic priorities identified. The Work Plan (AC2020-0079) was approved by Audit Committee on 2020 January 24 and received for information by Council on 2020 February 3.

The Audit Committee will continue their focus on improving their strategic role in 2020. The Work Plan and the Bylaw Review are only two tools to support the achievement of the recommendations of the Strategic Working Group. Other important components available to the Audit Committee are:

- City Auditor's Office Audits
- Regular updates from Chief Financial Officer on Priorities and Finance Committee
- Regular ongoing strategic conversations at Audit Committee
- Commissioning of special studies, reports or audits
- Briefing Notes provided
- Learning opportunities outside of the regular meetings

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0082**

Audit Committee Strategic Working Group Update

The attached Report entitled “Summary of Findings – Outcomes of the Audit Committee 2019 Strategic Review” provided by Consultant Dave Robertson, Mistri Consulting, offers additional insight into the workshops held by the Strategic Working Group and includes important commentary on the issues discussed.

Stakeholder Engagement, Research and Communication

Throughout the initial strategic workshops of Audit Committee or during the ongoing Strategic Working Group workshops representatives from Finance, Corporate Initiatives, Transportation, City Auditor’s Office, Planning and Development, External Auditor, City Solicitor and City Manager attended to provide advice and perspective.

Strategic Alignment

The Audit Committee’s Strategic Working Group aligns with Council’s Priority of a well-run city; “Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners and others.

Social, Environmental, Economic (External)

The diverse role of the Audit Committee at the City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management and corporate governance.

Financial Capacity

Current and Future Operating Budget:

The operating budget contains a line item for external consulting fees.

Current and Future Capital Budget:

Not applicable.

Risk Assessment

The Strategic Working Group identified that Audit Committee expertise could provide more value to Council by focussing on issues of significant risk and financial impact. Audit Committee capacity to concentrate on strategic issues (either identified or emerging) could be at risk if routine matters remain part of their annual Work Plan. Potential amendments to the Audit Committee Bylaw 48M2012 may further strengthen the Committee mandate and reduce risk to The City.

REASON(S) FOR RECOMMENDATION(S):

The Audit Committee’s Strategic Working Group was directed at the 2019 April 23 Meeting to present recommendations to Audit Committee.

ATTACHMENT

Summary of Findings – Outcomes of the Audit Committee 2019 Strategic Review by Mistri Consulting



Prepared by Mistri Consulting
3420-34 Ave SW
Calgary, AB
T 587.999.1520

Summary of Findings

OUTCOMES OF THE AUDIT COMMITTEE 2019 STRATEGIC REVIEW

Background

In the City of Calgary's Audit Committee orientation package, a document titled Audit Committee Purpose and Role introduces the purpose of the Audit Committee by stating:

"The diverse role of the Audit Committee at the City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management, and corporate governance."

Strategies for 2020

On February 1, 2019, the City of Calgary Audit Committee held a one-day workshop at Ralph Klein Park to discuss how it might fulfill a more strategic role. At a follow-up meeting on February 28, the Audit Committee reviewed the results and decided to pursue seven strategies in 2019. They were to:

1. Redefine the mandate and modernize the role of the Audit Committee
2. Set priorities for the Audit Committee so that the important work is addressed first
3. Set aside time for strategic matters
4. Ensure that meeting agendas address the Audit Committee's priorities
5. Review the membership terms of Audit Committee members
6. Raise the profile of the Audit Committee with Council and Administration
7. Test City strategies by asking good questions and making strategic recommendations

On April 23, 2019, the Audit Committee established a Strategic Working Group (SWG) to determine what specific changes are required to execute these strategies. In fall of 2019, it held four workshops and completed the following tasks:

- Recommended revisions to the Audit Committee's mandate emphasizing a more strategic role
- Recommended changes to the working process to focus more on strategic issues
- Reviewed how it interacts with Council, Priorities and Finance Committee (PFC) and Administration
- Created a 2020 work plan that
 - Places more focus on topics of strategic importance to the City of Calgary
 - Streamlines and reduces routine reporting
 - Requests more dialogue with the City Manager and Chief Financial Officer
 - Allows additional time to identify and discuss strategic issues



The Audit Committee also established a Bylaw Review Working Group (BRWG) to propose amendments to the Audit Committee Bylaw (48M2012) to support the recommendations of the SWG. Pertinent changes to the Committee's mandate and to its working practices and process were sent to the BRWG to include in the proposed amendments to the Audit Committee Bylaw.

Timeline of 2019 work

Date	Meeting / Outcomes
Feb 1, 2019	Full-day Strategic Workshop Conducted preliminary workshop with Audit Committee and members of Administration to discuss its potential for greater strategic impact
Feb 28, 2019	Audit Committee Breakfast Session Finalize seven strategies for 2020
April 23, 2019	Audit Committee Meeting Establish strategic and bylaw working groups.
July 23, 2019	Audit Committee Breakfast Session Set dates and review process for Strategic Working Group workshops.
September 17, 2019	Workshop 1: Mandate A summary of results is presented below.
October 10, 2019	Workshop 2: Process A summary of results is presented below.
October 30, 2019	Workshop 3: Process (continued), Roles & Responsibilities A summary of results is presented below.
December 2, 2019	Workshop 4: Strategic Topics for 2020 A summary of results is presented below.

Workshop 1: Changes to the Mandate

At the first workshop, members of the SWG discussed how the Audit Committee can achieve greater strategic impact on behalf of the City of Calgary.

Recommendations: At the conclusion of Workshop 1, the SWG made the following recommendations for amendments to the Bylaw:

1. Revise Section 1 to emphasize the Audit Committee's role in supporting better decision-making by providing independent expertise and advice concerning matters of finance and risk.
2. Revise Section 2 to emphasize that the Audit Committee shall preview any matter that's a material or significant financial or risk related impact to the City

3. Revise Section 2 to ensure that the Audit Committee receives proactive briefings from Priorities and Finance Committee (PFC) and other Standing Policy Committees so that the process of identifying, analyzing and managing financial risk is maintained
4. Revise Section 5c to reflect that the Audit Committee will define what areas shall be reviewed on an annual basis rather than accept the prescriptive direction of the current Bylaw.

Recommendations from Workshop 1 address strategies 1 and 2 for modernizing the role of the Audit Committee and setting priorities around its work.

Provide timely and impartial advice: Members felt major decisions with significant financial implications should be reviewed by the Audit Committee so it can offer non-political observations and advice on subjects of finance and risk. They wanted the Audit Committee to have an opportunity to review major issues before other decisions constrain the City.

Members discussed the workload and time required to fulfill recommendation 2 and identified concerns associated with the feasibility of this recommendation. In Workshop 4, the SWG discussed a way to prioritize issues based on risk management reporting from the City Manager. The BRWG, with the advice of the City Auditor and the City's legal team, is now working to incorporate those recommendations into upcoming bylaw revisions.

Identifying major issues proactively: Members also wanted to see the Audit Committee proactively identify and address major issues as a part of their role in sound, impartial governance. They believed this impartial advice should be publicly available and on the record regardless of City Council's final decision.

Advise “before, during, not just after”: Finally, members felt it was important for the Audit Committee to shift from a traditionally forensic role to one that includes impartial input before and during important decisions about finance and risk. Their desire is for the Audit Committee to relieve City Council of the need to debate the details of the technical aspects of a proposed project, allowing the Council to debate the project's merits.

Members discussed the workload and time required to fulfill recommendation 2 and identified concerns associated with the feasibility of this recommendation. The BRWG, with the advice of the City Auditor and the City's legal team, is now working to incorporate the recommendations into upcoming proposed bylaw amendments.

Workshops 2 & 3: Change to Working Process

At the second workshop, members of the SWG discussed how the Audit Committee might change its working process and practices to achieve greater strategic impact.

Recommendations: At the conclusion of Workshops 2 and 3, the SWG made the following recommendations for proposed amendments to the Bylaw:

1. The Audit Committee's annual work plan needs to focus on topics of strategic risk
2. The City Manager should present regularly on issues of strategic risk
3. Streamline the current report process to allow more time for strategic topics
4. Review the number of Audit Committee members, quorum and member qualifications

Recommendations from Workshop 2 and 3 address strategies 3, 4 and 5 for setting aside time for strategic matters, ensuring meeting agendas address Audit Committee priorities and reviewing committee membership and quorum.

Focus the work plan on strategic topics: The SWG discussed prioritizing subjects for the work plan by reviewing and selecting high risk issues identified by Administration. They recommended the Audit Committee hold regular discussions about the emergence of risk and collaborate with the City Auditor to ensure that the work plan places a priority on issues of strategic risk. The SWG also recommended the Audit Committee's work plan follow the calendar for Council's annual priority and budget-setting process and that the Audit Committee have an opportunity review the City's budget while in development.

Hold regular presentations and briefings from the Chief Financial Officer and the City Manager: The SWG recommended that the Audit Committee receive briefings on budget development and risk management on a semi-annual basis and that these briefings be used to identify the emergence of strategic risks. They also recommended the annual work plan align its major activities with Council's priority setting and budget process

Streamline the current report process: Given the interest in focusing more on bigger, broader issues, the SWG recommended streamlining the number of reports received by the Audit Committee so it can spend more time on strategic topics. The SWG recommends the Chair continues to request that Administration provide concise presentations and reports. There was some debate about the value of creating a consent agenda.

Committee membership, quorum and qualifications: The SWG recommended the Audit Committee increase the number of citizen members on the Audit Committee so that it could tackle a larger workload and that the terms of City Councillors be extended from one to two years to provide greater continuity. It also suggested reviewing the desired competencies for citizen members and recruiting according to desired skills including areas of non-financial expertise.

Workshop 4: Development of the 2020 Work Plan

The original intention of this workshop was to identify strategic topics that the Members of the SWG thought should be discussed. The agenda was altered to focus on the development of the 2020 work plan to help make the discussion more concrete and address concerns about balancing the committee's workload against the available meeting time.

Recommendations: During Workshop 4, the SWG followed some key practices that should be considered recommendations for the development of future work plans

1. Develop the work plan in collaboration with the City Auditor and Administration
2. Use presentations from the City Manager and Chief Financial Officer (CFO) to identify emerging strategic risk
3. Allow time to address strategic issues as they arise at Audit Committee or when requested by Council
4. Examine the value of all reporting in light of the emergence of strategic issues

Recommendations from Workshop 4 address strategies 3, 4, 6 and 7 for setting aside time for strategic matters, ensuring meeting agendas address Audit Committee priorities, raising the profile of the Audit Committee with Council and Administration and testing City strategies with good questions.

Collaboration: At Workshop 4, the City Auditor and other members of Administration worked with the SWG to develop a draft of the work plan. Everyone discussed and negotiated competing priorities in good faith and the workshop resulted in the 2020 work plan approved by the Audit Committee at the January 24, 2020 meeting.

Presentations from the City Manager and CFO: The SWG agreed the best way to identify and address issues of strategic risk was to receive regular presentations from the City Manager and CFO and to use this information to identify issues for further scrutiny.

Time for strategic issues: Creating the work plan in a collaborative setting allowed the SWG to have some frank discussion about use of its time, to prioritize strategic issues and to leave time in its meeting schedule for emerging issues of strategic risk.

Reporting: Creating the work plan in a collaborative setting also allowed the SWG to discuss which reports and presentation are of the greatest value to the Audit Committee.

Other points of discussion

During this process, the Audit Committee and the SWG discussed other topics, some at length.

Opportunities for less formal discussion: Feedback about the February strategic workshop was that it was an important opportunity for Audit Committee members to discuss the role of Committee as a strategic resource to the City of Calgary. There was a consensus among members that it should continue holding an annual strategic meeting to discuss its role, work processes, the annual work plan and other strategic topics as they arise.

Scope of responsibilities and authority: There was debate about whether all major projects involving finance and risk should be automatically reviewed by the Audit Committee. However, there were concerns this would introduce an unrealistic amount of work for Audit Committee and Administration and that this approach would detrimentally affect the timelines for major projects.

Instead, the SWG ultimately recommended a risk-based approach by which major projects and ongoing operations are monitored for risk and that a review be conducted when a heightened level of risk deems it necessary. Discussion of how this is to be formally implemented is still under discussion by the Bylaw Review Working Group.

Workload for citizen members and Administration: During the development of the work plan, the SWG and members of Administration were keenly aware of the potential workload introduced by this more strategic approach. There was ongoing discussion during Workshops 3 and 4 about whether what was being proposed is realistic. A revised work plan was approved on January 24, 2020, but the Audit Committee would be well-advised to review its workload from time to time over the next year to determine whether the work plan is sustainable for all those involved.

Membership and quorum: There's an outstanding discussion about numbers of citizen members on the Audit Committee. Concerns about the workload and the ability to achieve a quorum lead the SWG to discuss adding citizen members on the Audit Committee and to extend the terms of Councillors. Administration advised the SWG that an increase in citizen members may introduce governance issues. A recommendation concerning citizen membership and quorum was left for further discussion by the BRWG.

Remaining work

At this time, the BRWG is meeting to discuss what specific changes to the Bylaw are required to meet the recommendations of the Strategic Working Group. Members of Administration, the City Auditor and the Executive Assistant to the Audit Committee have also brought forward recommended changes of varying degrees of detail that are also under review by the BRWG. Recommended changes will be submitted to the City Solicitor assigned to the project to either amend or draft a new Bylaw for consideration by the Audit Committee and by City Council.

Professional and Administration Support

Throughout this process, the Audit Committee and the SWG were supported by the facilitation services of my firm, Mistri Consulting. I am recognized by the International Association of Facilitators (IAF) as a Certified Professional Facilitator (CPF) and have fifteen years' experience in facilitation and public engagement. I conduct meetings, workshops and consultations for a range of non-profit, government and for-profit organizations.

During this process, members of City Administration and external audit professionals engaged by the City also provided invaluable support to the Audit Committee. I would like to recognize Corrie Smillie, Executive Assistant to the Committee for her hard work and thoughtful insight. I'd also like to recognize the following members of Administration and the external auditors from Deloitte who offered their willing participation and frank advice through the workshop process.

- Glenda Cole, City Manager
- Carla Male, Chief Financial Officer
- Trevor Nakka and Harman Gill, Deloitte LLP
- Thao Nguyen, Director of Finance, City Treasurer
- Kathy Palmer, City Auditor
- Chris Stewart, Manager, Corporate Initiatives
- Matthias Tita, Director, Calgary Growth Strategies and Chair, Calgary Planning Commission
- Greg Wiebe, Manager, Corporate Financial Reporting

I'd also like to acknowledge the following members of Administration who participated in the first strategic workshop in February 2019.

- Jan Bradley, Chief Information Technology Officer
- Al Bleau, Manager, Whistle-Blower Program
- Jeff Fielding, City Manager
- Kelly Gardner, Leader, Performance Measurement, Benchmarking and Risk
- Pam Lewis, Deputy City Auditor
- Jill Mawer and Michael Mooney, Ward 8
- Trevor Nakka and Harman Gill, Deloitte LLP
- Evelyn Ott, IT Audit Manager
- Andrew Sedor, Business Development Coordinator, Transportation Strategy

2017 Municipal Election Follow-up Audit

EXECUTIVE SUMMARY

The City Auditor's Office issued the 2017 Municipal Election Follow-up Audit Report to Administration on February 3, 2020. This is a positive assurance report as we concluded all management action plans are complete, and the design of planned election processes effectively mitigates the underlying risks identified. There were no new recommendations raised in this report.

RECOMMENDATIONS:

That with respect to the Report AC2020-0196, the following be approved:

1. That the Audit Committee receive this Report for the Corporate Record; and
2. That the Audit Committee recommend that Council receive this Report for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's Office 2019/20 Annual Audit Plan was approved on September 18, 2018. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

BACKGROUND

This audit was undertaken as part of the approved City Auditor's Office 2019/20 Annual Audit Plan. The objective of this audit was to answer the question whether management action plans for all four recommendations raised in our 2017 Municipal Election Review have been completed and effectively designed to mitigate the following election day risks:

- Insufficient initial ballot supply;
- Voting station facilities not having accessibility, space and parking available that meet stakeholder expectations;
- Inadequate allocated staff to support the voting process and facilitate timely voting; and,
- Delayed reporting of election day results.

To achieve the audit objective, for each management action plan in response to the four recommendations raised in our 2017 Municipal Election Review, we:

- Assessed the design of planned election processes; and, where planned election processes were implemented for the 2026 Olympic Bid Plebiscite held on November 13, 2018,
- Independently validated the operating effectiveness of election processes.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

All management action plans are now complete, and the design of planned election processes effectively mitigates the underlying risks identified. In addition, many of the action plans were implemented ahead of the September 30, 2019 original commitment date, and were in place for the 2026 Olympic Bid Plebiscite held on November 13, 2018. As a result, we were able to confirm the operating approach effectiveness for key improvements, including:

2017 Municipal Election Follow-up Audit

- 100% ready-available initial ballot supply based on the estimated number of electors;
- Adoption of federal election accessibility criteria and elimination of “superstations” serving over 7,100 electors;
- Adequate staffing of voting stations; and
- Simplified results reporting process using tabulators.

Further, Elections and Census shared their plans to continue to improve the voter experience for the upcoming 2021 Election, and based on our follow-up we have high confidence in their ability to deliver on these plans, and we have no recommendations for additional improvement.

Stakeholder Engagement, Research and Communication

This audit was conducted with the City Clerk’s Office acting as the principal audit contact within Administration.

Strategic Alignment

Audit reports assist Council in its oversight of the City Manager’s administration and accountability for stewardship over public funds and achievement of value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget

N/A

Current and Future Capital Budget

N/A

Risk Assessment

The activities of the City Auditor’s Office serve to promote accountability, mitigate risk, and support an effective governance structure.

This audit was undertaken as part of the City Auditor’s 2019/2020 Annual Audit Plan as the 2017 Municipal Election Review identified significant contributing factors that, if not corrected, could lead to a reoccurrence of increased voter wait times, voting station accessibility concerns and delays in the reporting of election results in the upcoming 2021 Election.

REASON FOR RECOMMENDATIONS:

Bylaw 48M2012 (as amended) states: “Audit Committee receives directly from the City Auditor any individual audit report and forwards these to Council for information”.

ATTACHMENT

2017 Municipal Election Follow-up Audit AC2020-0196 ATT



City Auditor's Office

2017 Municipal Election Follow-up

February 3, 2020

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The City Auditor's Office conducted this audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

The 2018 audit¹ on the 2017 Municipal Election process identified significant contributing factors that led to increased voter wait times, voting station accessibility concerns and delays in the reporting of election results on election day. In concluding the 2018 audit the City Auditor's Office committed to a follow-up audit of Elections and Census management action plans to improve the election day process.

Follow-up audits deliver value to The City by providing independent assurance on the progress of management action plans and whether the actions taken effectively mitigate the significant risks they were intended to address. Follow-up audits may also identify further opportunities for improvement. The objective of this follow-up audit was to answer the question whether management action plans for all four recommendations raised in our 2017 Review have been completed and effectively designed to mitigate the following election day risks:

- Insufficient initial ballot supply;
- Voting station facilities not having accessibility, space and parking available that meet stakeholder expectations;
- Inadequate allocated staff to support the voting process and facilitate timely voting; and,
- Delayed reporting of election day results.

Our conclusion to the follow-up audit question above is yes. All management action plans are now complete, and the design of planned election processes effectively mitigates the underlying risks identified. In addition, many of the action plans were implemented ahead of the September 30, 2019 original commitment date and were in place for the 2026 Olympic Bid Plebiscite held on November 13, 2018. As a result, we were able to confirm the operating approach effectiveness for key improvements, including:

- 100% ready-available initial ballot supply based on the estimated number of electors;
- Adoption of federal election accessibility criteria and elimination of "superstations" serving over 7,100 electors;
- Adequate staffing of voting stations; and,
- Simplified results reporting process using tabulators.

Further, Elections and Census shared their plans to continue to improve the voter experience for the upcoming 2021 Election, and based on this follow-up we have high confidence in their ability to deliver on these plans, and we have no recommendations for additional improvement.

This report serves as an example of how the City Auditor's Office provides value to Calgarians through objective assurance to Administration and Council and actively follows up on recommendations to support timely mitigation on identified risks.

¹ 2017 Municipal Election Review AC2018-0852

1.0 Background

General elections in Calgary are complex events held every four years, allowing electors to vote for Mayor, Councillor, and Public and Separate School Board Trustee candidates. General elections are governed by the Local Authorities Elections Act and administered by The City's Returning Officer. The Returning Officer must be independent and impartial when performing the duties of the Returning Officer.

The last general election was held on Oct. 16, 2017. The public expressed concerns about their election day experience, including long line ups at voting stations and delays in the reporting of election results. The City responded to these concerns, confirming the accuracy of election results and compliance with legislation, as well as committing to improving election processes. As part of the process improvement initiative, the City Clerk/Returning Officer requested that City Auditor's Office undertake a root cause analysis review, resulting in the 2017 Municipal Election Review report that was issued on July 17, 2018.

The 2017 Municipal Election Review (2017 Review) identified significant contributing factors that led to increased voter wait times, voting station accessibility concerns and delays in the reporting of election results on election day. Four recommendations were raised to minimize the identified contributing factors and to improve the voter experience during the next election day scheduled for Oct. 18, 2021 (2021 Election Day). In concluding the 2017 Review, the City Auditor's Office committed to a subsequent review of Elections' proposed strategies to improve the 2021 Election Day process.

The City held a 2026 Olympic Bid Plebiscite (Plebiscite) on Nov. 13, 2018 on the matter of whether Calgary should host the 2026 Olympic and Paralympic Winter Games. The City Auditor's Office conducted a plebiscite readiness review at the request of the Returning Officer/City Clerk to validate Plebiscite readiness and to support greater transparency on the actions taken by Elections and Census (Elections) to provide an improved voter experience. The Plebiscite was conducted utilizing voting tabulator technology to count votes for the first time in The City of Calgary's history and incorporated several key process changes intended to improve the voter experience, including:

- Initial ballot distribution;
- Voting station facility selection;
- Voting station staffing, layout and process flow; and,
- End of night count and results reporting.

Elections completed their 2021 Election Day process design, incorporating learnings from the Plebiscite, and indicated their management action plans in response to the 2017 Review were complete in Q3 2019. As a result, this follow-up audit on the progress of management action plans was completed as part of the approved City Auditor's 2019 Audit Plan.

2.0 Audit Objectives, Scope and Approach

2.1 Audit Objective

The objective of this audit was to assess whether management action plans in response to the four recommendations raised in our 2017 Review have been completed and have been effectively designed to mitigate the underlying risks as intended.

2.2 Audit Scope

The scope of our audit was limited to the management action plans in response to the four recommendations raised in our 2017 Review.

Changes to the Local Authorities Election Act and Alberta Senate Election Act in 2019 will be considered by Elections when finalizing their processes in advance of the 2021 Election Day. However, these changes were excluded from the scope of our election follow-up audit.

2.3 Audit Approach

To achieve the audit objective, for each management action plan in response to the four recommendations raised in our 2017 Review (as identified in the Appendix), we:

- Assessed the design of planned election processes; and, where planned election processes were implemented for the Plebiscite,
- Independently validated the operating effectiveness of election processes.

3.0 Results

Our audit included review of process flow documentation, plans, procedures, and staff manuals to assess the design of planned election processes. Validation of operating effectiveness of election processes tested included review of the Plebiscite debrief, incident reports, facility checklist summary results, and analysis of ballot distribution, staffing and number of electors by voting station. We observed that all four recommendations have been completed and the processes are effectively designed to mitigate the underlying risks identified in the 2017 Review. In addition, we observed that several key improvements in the operational approach planned for the 2021 Election Day were effective during the Plebiscite.

3.1 Ballot Supply and Distribution

The 2017 Review identified a risk of a reoccurrence of insufficient initial ballot supply to voting stations. We reviewed the planned ballot supply and distribution methodology for the 2021 Election Day. The process design effectively mitigates the underlying risk by ensuring that voting stations receive 100% ready-available initial ballot supply based on the estimated number of electors. Ballots will be distributed to voting stations using a de-centralized ward-based model with an additional supply of 25,000 emergency ballots of each ballot type.

The Plebiscite summary record of ballots distributed, used and returned by voting station, incident reports and the debrief performed with election workers and staff from Elections and other city support services were reviewed. Key improvements in Elections' operating approach planned for the 2021 Election Day that were in place for the Plebiscite were effective, as follows:

- 100% ready available initial ballot supply, with 156/160 voting stations receiving at least 98% of ballots based on enumeration data and the remaining four voting stations receiving sufficient ballots (of at least 62% of ballots based on enumeration data).
- The initial delivery of ballots was split (approximate ratio of 75:25 on average) between the voting station Presiding Deputy Returning Officer (PDRO), responsible for the overall conduct of their assigned voting station, and Area Supervisor, who oversee three to four voting stations, to reduce the potential risk of a PDRO "no show" on the initial ballot

supply. A similar operating approach targeting an initial ballot delivery PDRO/Area Supervisor split of an approximate ratio of 60:40 is planned for the 2021 Election Day.

- No voting stations required additional ballots or reported ballot supply shortages.

3.2 Voting Station Facility Accessibility and Space

The 2017 Review identified a risk of a reoccurrence of voting station facilities not having adequate accessibility, space and parking available to meet stakeholder expectations. Review of the planned process and criteria to establish voting stations for the 2021 Election Day, confirmed the design effectively mitigates the underlying risk through:

- Utilization of federal election voting station accessibility and suitability criteria.
- Setting a maximum number of enumerated electors (7,100) to be served by any voting station to ensure all voting stations serve a manageable number of electors.
- Pre-election inspections of all voting stations to verify suitability.

The Plebiscite summary of voting station facility inspections, the number of enumerated electors served by each voting station, incident reports and the debrief performed with election workers and staff from Elections and other city support services were reviewed. Key improvements in Elections' operating approach planned for the 2021 Election Day that were in place for the Plebiscite were effective, as follows:

- Voting stations on the federal approved list of voting stations were utilized where possible and pre-election visits performed on 43 voting stations not on the federal approved list.
- No "superstations" were used serving over 7,100 enumerated electors.
- No major facility concerns were reported. Elections identified that voting stations meeting Elections' selection criteria were not available in 15 ward subdivisions. Elections expect to have a greater choice of voting stations ahead of the 2021 Election Day due to a longer planning timeline available.

3.3 Voting Station Staffing

The 2017 Review identified a risk of a reoccurrence of inadequate staffing to support the voting process and to facilitate timely voting. Review of the planned voting station staffing process, staffing standards, and staff manuals, confirmed that the design for the 2021 Election Day effectively mitigates the underlying risk through:

- Documented voting station staffing procedures and standards that reflect the estimated number of electors.
- Flexibility to redeploy staff and standby staff to address large voter turnout or other contingencies, with plans to have standby staff stationed at Ward offices for deployment during the 2021 Election Day.

- Updated voting station processes and election worker roles and responsibilities around which staffing standards have been created (See Figure 1 Sample Voting Station Layout). Each voting station will be staffed with a Presiding Deputy Returning Officer (PDRO), who is responsible for the overall conduct of their assigned voting station, and an Assistant Presiding Deputy Returning Officer, who assists the PDRO with assigned duties. Voting stations will also have a Ballot Clerk (new position), who will manage and account for all ballots, and a Tabulator Clerk (new position), who is responsible for operating the tabulator. A variable number of Deputy Returning Officers (DRO) will be assigned to voting stations in accordance with Elections' staffing standards, who will perform a variety of duties, including staffing of the voter register tables.
- Elections plan to use registered voter lists for the 2021 Election Day and perform additional end-to-end process validation to test their capability of responding to a variety of election day scenarios.

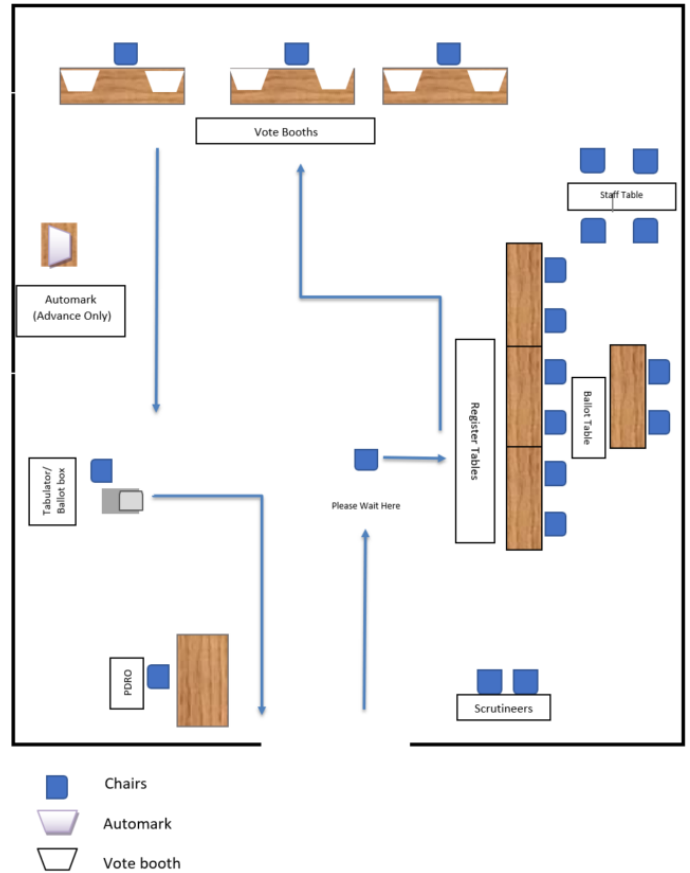


Figure 1 Sample Voting Station Layout (source Elections)

The Plebiscite voting station staffing plan, actual voting station staffing versus Election staffing standards by voting station, incident reports and debrief performed with election workers and staff from Elections and other city support services were reviewed. Key improvements in Elections' operating approach planned for the 2021 Election Day that were in place for the Plebiscite were effective, as follows:

- Adequate regular voting station staffing follows Elections' staffing standard. There was some variation in DRO hired (average of 116% of standard) across voting stations. This variation was largely due to a decision made by Elections to add additional staff to specific voting stations with higher expected peak period elector turnout and some differences in the rates of staff attrition across voting stations.
- No major voting delays due to staffing shortages were reported.

3.4 Election Day Results Reporting

The 2017 Review identified the risk of a reoccurrence of delayed election results reporting. Review of the planned election day results reporting process and staff manuals confirmed the design for the 2021 Election Day effectively mitigates the underlying risk through:

- Simplified results reporting process using tabulators.
- A defined “After the Vote” process with a clear sequence of procedures and expected reporting timelines.
- The existence of staff manuals for all key voting station positions identified in section 3.3 - Voting Station and Staffing, with further training material planned for the next 2021 Election Day.

The Plebiscite results timeline, incident reports and the debrief performed with election workers and staff from Elections and other city support services were reviewed. Key improvements in Elections’ operating approach planned for the 2021 Election Day that were in place for the Plebiscite were effective, as follows:

- Implemented simplified results reporting process using tabulators.
- Results reporting timelines met Plebiscite reporting timeline expectations.
- No major results reporting issues were reported.

Thank you to Elections staff for your assistance and support throughout this audit.

APPENDIX – Recommendations and Action Plans from the 2017 Review

2017 Municipal Election Review Report, July 17, 2018, Attachment AC2018-0852

Rec. #	Recommendation	Management Action Plan	Responsibility
1	The City Clerk/Returning Officer establish voting station initial ballot allocation procedures based on the estimated number of electors and historic voting patterns for each ballot type, supported by documentation stating how elector estimates are to be determined, and requirements to collect and analyze historic voting patterns.	<p>Document methodology used to determine ballot supply to voting stations based on enumeration data from other sources, current City census data and historical voter data over three general elections.</p> <p>Design a decentralized model of ballot distribution throughout the city by establishing ward-based distribution centres to improve the voting station 100% ready-available ballot allocation process.</p>	<p><u>Lead</u>: City Clerk/Returning Officer</p> <p><u>Support</u>: Deputy City Clerk, Elections and Census</p> <p><u>Commitment Date</u>: September 30, 2019</p>
2	The City Clerk/Returning Officer define facility criteria, establish minimum standards, develop procedures and design monitoring controls to ensure all voting station facilities in future elections meet stakeholder expectations.	<p>Identify and consult with accessibility focused stakeholders (e.g. Advisory Committee on Accessibility and other disability-serving agencies in Calgary based on committee recommendations) and define facility criteria and standards that determine voting station accessibility and suitability that meet the City's Access Design standards where feasible.</p> <p>Design and document a process for conducting a pre-election visit to each voting site prior to completing the rental contract to ensure minimum requirements are met that is supported by a facility check-list.</p> <p>Documented procedures to include review of voting stations used at the federal and provincial level and consideration of using these voting stations where possible that meet the City's accessibility and suitability standards.</p>	<p><u>Lead</u>: City Clerk/Returning Officer</p> <p><u>Support</u>: Deputy City Clerk, Elections and Census</p> <p><u>Commitment Date</u>: September 30, 2019</p>

Rec. #	Recommendation	Management Action Plan	Responsibility
3	The City Clerk/Returning Officer develop a voting station staffing plan based on analysis of process, staff capacity, and acceptable peak voter wait times, supported by procedures including the allocation of staff to voting stations and recording explanations for any exceptions made.	<p>Document procedures for developing a voting station staffing plan that allocates election workers required at each voting station using the staffing standards developed and the estimated number of electors, with an explanation documented for all exceptions. Procedures will include development of contingency plans for a large turnout including the ability to redeploy election workers to meet demand. (Note, the process for determining the estimated number of electors to be determined in the action plan for Recommendation 1).</p> <p>Review and update voting station processes and election worker roles and responsibilities to accommodate acceptable peak voter wait times around which staffing standards and plans will be created.</p>	<p><u>Lead</u>: City Clerk/Returning Officer</p> <p><u>Support</u>: Deputy City Clerk, Elections and Census</p> <p><u>Commitment Date</u>: September 30, 2019</p>
4	The City Clerk/Returning Officer document and communicate the voting station critical path of After the Vote procedures required for timely reporting of election results, including the sequence of procedures and expected timelines for completion of key milestones.	<p>Design and document After the Vote procedures; with step-by-step instructions and the minimum required paperwork, that will identify the sequence of procedures, expected timelines for completion, and election worker guidance on solving problems that could prevent the reporting of accurate results in the shortest time possible.</p> <p>Design and document After the Vote training materials that assist the election worker's understanding.</p>	<p><u>Lead</u>: City Clerk/Returning Officer</p> <p><u>Support</u>: Deputy City Clerk, Elections and Census</p> <p><u>Commitment Date</u>: September 30, 2019</p>

City Auditor's Office 2019 Annual Report

EXECUTIVE SUMMARY

The City Auditor presents the City Auditor's Office 2019 Annual Report, which provides a summary of the activities and value delivered by the City Auditor's Office (CAO) from January 1, 2019 to December 31, 2019.

RECOMMENDATIONS

1. That the Audit Committee receive this Report for the Corporate Record; and
2. That the Audit Committee recommend that Council receives this Report for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. The City Auditor is subject to the supervision of and accountable to Council, and reports to Council through Audit Committee.

Bylaw 48M2012 (as amended) states that Audit Committee is responsible for:

- Overseeing the performance of the City Auditor;
- Overseeing, through the City Auditor, the Whistle-blower Program.

Section 7 (b) of Schedule A of Bylaw 48M2012 (as amended) states that Audit Committee: "receives for information an annual audit report on the Whistle-blower Program and forwards to Council for information".

Section 1 (f) of Schedule C of Bylaw 48M2012 (as amended) states that Audit Committee: "reviews and forwards to Council for information, the City Auditor's Office quarterly and annual status reports".

Section 2 (b) of Schedule C of Bylaw 48M2012 (as amended) states that the City Auditor: "must submit the annual status report to Council for information after review by the Audit Committee".

Council Policy CC026, *Whistle-blower Policy*, states that the City Auditor "will report, at least on an annual basis, information related to reports received and investigations conducted during the year to Council through the Audit Committee".

BACKGROUND

The 2019 Annual Report summarizes the activities of the CAO in 2019. The report highlights significant activities carried out by the CAO and is presented to assist Audit Committee in its oversight responsibilities of the CAO. The mission of the CAO is to "Provide independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust". This annual report demonstrates how the CAO is successfully delivering value using the four guiding principles of Responsiveness, Risk Reduction, Reliability, and Resilience.

City Auditor's Office 2019 Annual Report

In 2019, utilizing a complement of 17 staff and a budget spend of \$2.8M, the CAO:

- Completed nine audits and initiated planning on one audit scheduled in the 2020 plan;
- Raised 54 audit recommendations resulting in 71 action plans, and monitored the closure of 78 action plans to support positive change;
- Identified 102 recommendations or corrective actions; and
- Closed 33 whistle-blower investigations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

N/A

Stakeholder Engagement, Research and Communication

The CAO collaborates with relevant teams from Administration in completing all audit and advisory projects. All audit reports are shared with Administration prior to presentation to Audit Committee.

The Whistle-blower Policy assigns responsibilities to the City Auditor and the City Manager to develop, implement and maintain an effective program. The results of all investigations are reported to the responsible General Manager and/or City Manager for action as appropriate. Any disciplinary action resulting from a substantiated report is the responsibility of management and shall be taken in accordance with Administration Policy HR-LR-002, *Labour Relations Policy*.

Strategic Alignment

The CAO Annual Report provides Audit Committee and Council with information to support their oversight responsibility of the CAO. The activities of the CAO assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the CAO serve to promote accountability, mitigate risk, and support an effective governance structure.

City Auditor's Office 2019 Annual Report

REASONS FOR RECOMMENDATIONS:

1. Audit Committee has oversight responsibilities of the CAO.
2. Bylaw 48M2012(as amended) states the Audit Committee "reviews and forwards to Council for information, the City Auditor's Office quarterly and annual status reports".
3. Bylaw 48M2012 (ad amended) states that Audit Committee "receives for information an annual audit report on the Whistle-blower Program, and forwards to Council for information".

ATTACHMENT

City Auditor's Office 2019 Annual Report AC2020-0223 ATT

City Auditor's Office 2019 Annual Report



Calgary

City Auditor's Office



As we welcome a new decade with excitement and anticipation of what lies ahead in the future, it is helpful to reflect on what was accomplished in 2019. This report provides a summary of our 2019 deliverables as an effective City Auditor's Office (CAO) that is accountable to Audit Committee and Council. More importantly, this report articulates the added value that was provided to City Administration through our independent and objective audit, advisory and investigative work that in turn enhances public trust.

Over the course of 2019 the CAO team, which is composed of highly experienced professionals and administrative staff, took responsive action to emerging risks, reduced negative risks which could hamper the success of City Services, ensured the reliability of our work through ongoing internal validation of conformance to our professional standards, and reinforced our resilience through improvements to our office organization, protocols and tools,

We also established, and publicly communicated our key performance measures on a quarterly basis to reinforce our own transparency and accountability. I am pleased to report that in all cases we met or exceeded our performance measures.

Overall, it is the outcome that resulted from our work that really matters. With a budget spend of \$2.8M and a full staff of 17, we identified 102 recommendations or corrective actions. Our ongoing follow-up and monitoring to support timely implementation of 78 management action plans reduced high and medium risk exposures facing The City. We also provided monitoring and assurance on timely corrective actions to mitigate potential of reoccurrence.



As you read our 2019 Annual Report, I hope you obtain better insight into the work we do and the value we provide.

The CAO is recognized as a critical service to support the citizen priority of a well-run city. The pages that follow in this report provide our 2019 results against accountability performance measures as established in the One Calgary 2019-2022 Service Plans and Budgets report. Details on these positive results are further described under our four guiding principles of:

- **Responsiveness;**
- **Risk Reduction;**
- **Reliability; and**
- **Resilience.**

If you would like to learn more about our activities and/or access audit reports issued over the past year, please visit our webpage at www.calgary.ca/auditor.

Katharine Palmer, CIA, CFE, MBA
City Auditor

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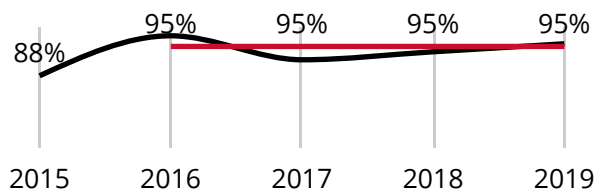
1.0 - One Calgary Accountability



The CAO will continue to track our five performance measures as stated in the One Calgary 2019-2022 Service Plan and Budget. These performance measures align to our guiding principles of Responsiveness, Risk Reduction, Reliability and Resilience.



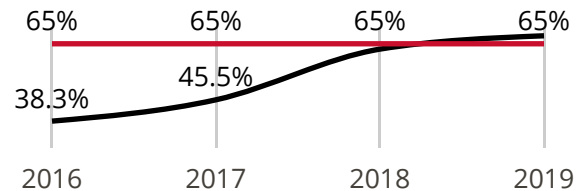
Annual Audit Plan Completion



● Actual ● Target



% of Whistle-blower Program Investigations Open < 180 Days



● Actual ● Target



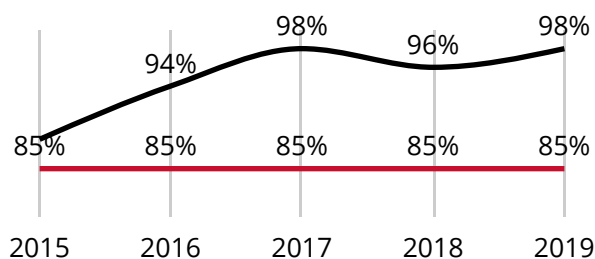
Timely Implementation of Action Plans



● Actual ● Target



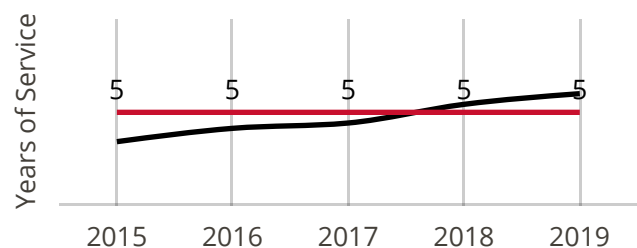
CAO Client Satisfaction



● Actual ● Target



Staff Retention



● Actual ● Target

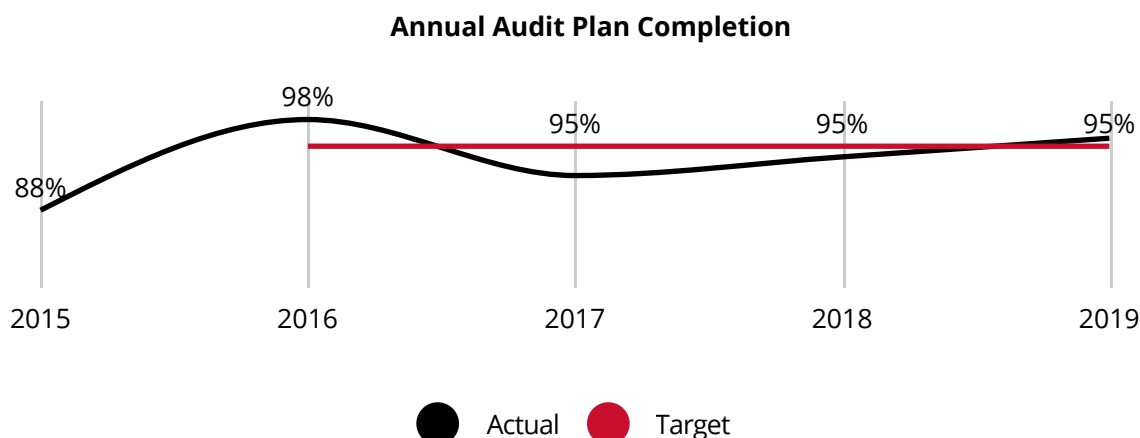
Responsiveness: The ability to assess and react to current and emerging risks through audit assurance, advisory and investigative services.

2.1 - Our City Auditor's Office Mandate

The CAO is accountable to Audit Committee and Council, assisting them in their oversight and governance role over Administration. Our work is conducted in accordance with our audit mandate as established through Bylaw 30M2004. We add value in our independent and objective audit assurance, advisory and investigative work which enhances public trust. Our work directly supports the citizen priority of a well-run city.

2.2 Audit Services

The CAO delivered the 2019-2020 Annual Audit Plan to Audit Committee for approval on September 18, 2018. We developed the two-year plan using a risk-based based framework to ensure available resources were focused on areas of significant risk across Administration's business units and services. The CAO tracks the percentage of the annual audit plan completed, based on an established schedule. At year-end we exceeded our audit plan completion target expectations (96%). In addition to providing a timely delivery of audits, we also initiated planning on one audit scheduled in the 2020 plan.



2.3 - Advisory Services:

The CAO provides advisory services on a issue or project specific basis as requested by Administration. The intent of our advisory services is to provide an independent view and insight on current, new or emerging risks and opportunities facing The City based on our knowledge of best practice on risks, controls and governance frameworks along with our deep understanding of City strategies, culture and organization. Our advisory service work does not impede our ability to conduct objective audits at a future date. During 2019, the CAO provided advisory services to a number of areas including:

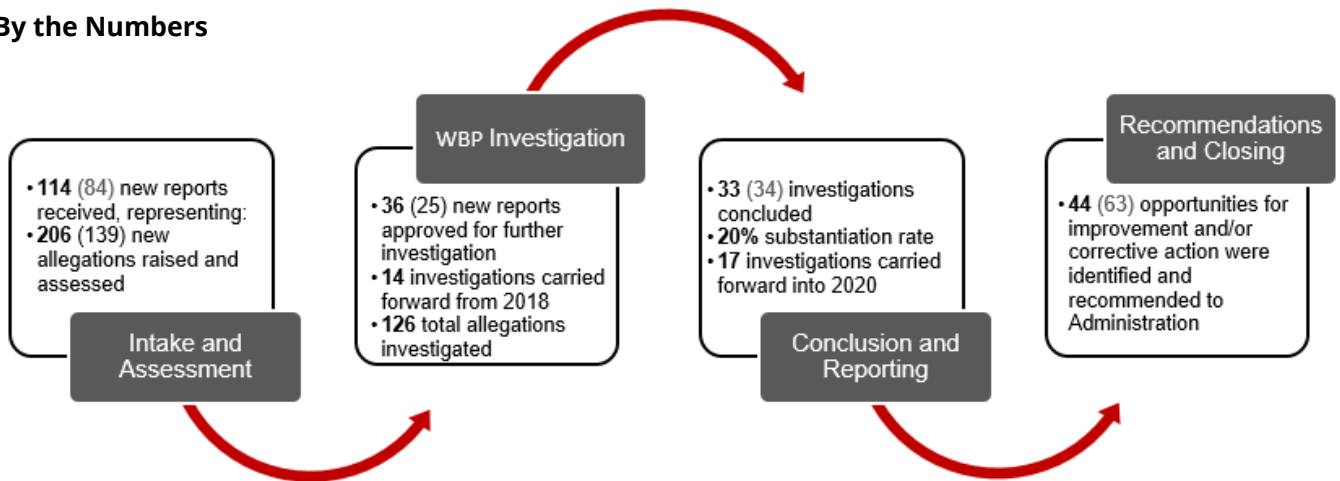
- The City's Infrastructure Calgary Steering Committee as an advisory member;
- The City's Corporate Project Management Framework Steering Committee as an advisory member;
- Support to two business unit initiatives through provision of data analytics;
- Input on potential risks and opportunities provided to two business unit projects focused on efficiency of City processes; and
- Business unit input to a review of draft standards.

2.4 - Investigation Services - Whistle-blower Program

The Whistle-blower Program (WBP) was established in 2007 through Council policy CC026 as an independent, objective, and confidential channel for all Calgarians, including employees and service providers, to report suspected waste and/or wrongdoing. The WBP operates independently from Administration, and under the direct responsibility of the CAO.

2019 was a busy year for the WBP. We noted a significant increase in the complexity and volume of reports submitted compared to prior years from employees and Calgarians.

By the Numbers

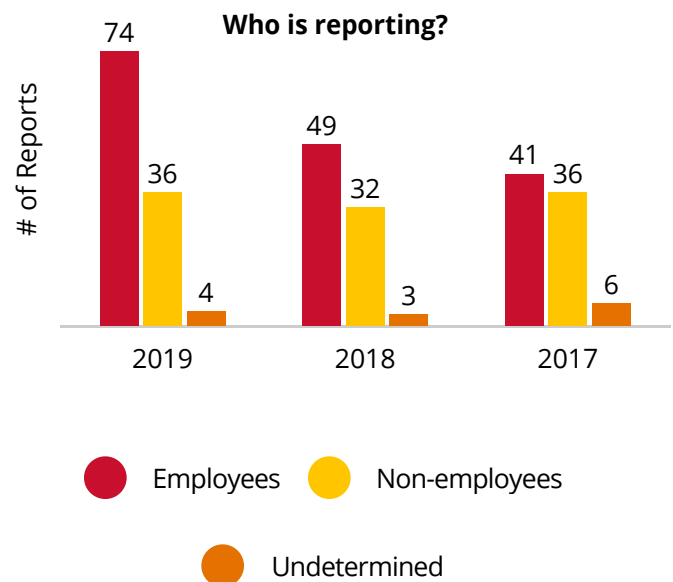


WBP activity for the year ending December 31, 2019 (numbers in parentheses represent 2018 figures for comparative purposes only):

More employees utilized the WBP channel in 2019 than in past years while non-employee reporting remained relatively unchanged.

Historically, employees have accounted for approximately 54% of reports of suspected acts of waste and/or wrongdoing received by the WBP. In 2019, employees reported 65% of all concerns raised to the WBP.

Increased reporting activity by employees can be considered a positive indicator. It shows employees across the organization are aware of how to report to the WBP, and that they feel empowered to report anonymously when appropriate. It also demonstrates the confidence employees have that concerns reported to the WBP will be investigated in an objective and appropriate manner.



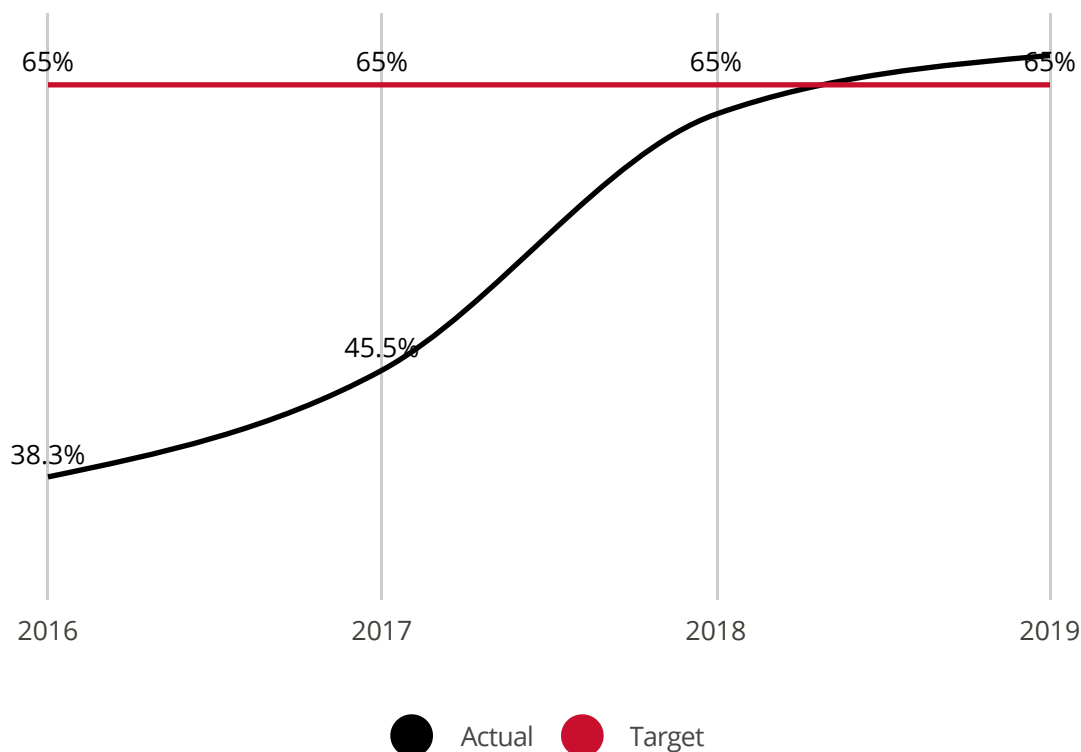


Investigation Closing Rates

One of the measures of responsiveness for the WBP is the average time an investigation is considered open. In the short term, with existing resources, the WBP strives to close investigations within six months, 65% of the time, recognizing each investigation has its own complexity. Even though overall volume has increased, procedural enhancements and efficiencies applied to the WBP in recent years have shown their effectiveness in supporting year over year continual improvement in timely assessment and response to concerns reported in 2019, resulting in:

- 93% reduction in outstanding investigations aged greater than one year.
- 18% reduction in average number of calendar days required to complete investigations compared to 2018.

% of Investigations Open Less Than 180 Days - WBP Efficiency Measure





Risk Reduction: Audit, advisory and whistle-blower recommendations cost-effectively address risk and are implemented in a timely manner.

3.1 - Audits Completed:

During 2019, we issued nine audit reports and raised 54 recommendations, focused on mitigating high or medium risks to which Administration provided 71 action plans.

Calgary Parking Authority Asset Management Processes Audit - AC2019-0010

Calgary Parking Authority is The City's partner entrusted to manage, control, operate and maintain seven parkades with an assessed value of \$290M. In 2017, the parkades generated gross annual revenues of \$27.2M and returned \$19.8M to The City. Parkades are vital to Calgary Parking Authority's core business and provide a significant revenue stream for The City.

Effective asset management processes throughout each parkade's lifecycle are fundamental to ensure customer safety, sustainability of operations and continued financial return to The City. Effective asset management will also help realize optimal asset value over each parkade's lifecycle by supporting appropriate forecasting, resource allocation, and decision-making.

Our audit assessed the adequacy of Calgary Parking Authority's asset management processes for the parkade portfolio, including the design and operational effectiveness of significant controls that mitigate safety, financial and reputational risks.

Result: We determined asset management processes required significant improvement and provided recommendations to assist Calgary Parking Authority in establishing a strategic framework to support effective asset management and appropriately mitigate safety, financial, and sustainability risks.

Our recommendations were intended to assist Calgary Parking Authority by identifying areas of higher priority and areas where they could build on current processes and initiatives underway. We noted a top priority was the development of an Asset Management Strategy.

An Asset Management Strategy will help Calgary Parking Authority realize optimal value over each parkade's full life-cycle and effectively manage safety risks associated with parkades in poor condition.

"A collaborative approach was taken and the focus on making improvements was appreciated."

**- Glen Furtado,
General Manager,
Calgary Parking Authority**

Annual Control Environment Assessment Audit - AC2019-0214

The City of Calgary operates utilizing a complex system of internal controls designed to prevent risks that could raise costs or threaten the achievement of City objectives.

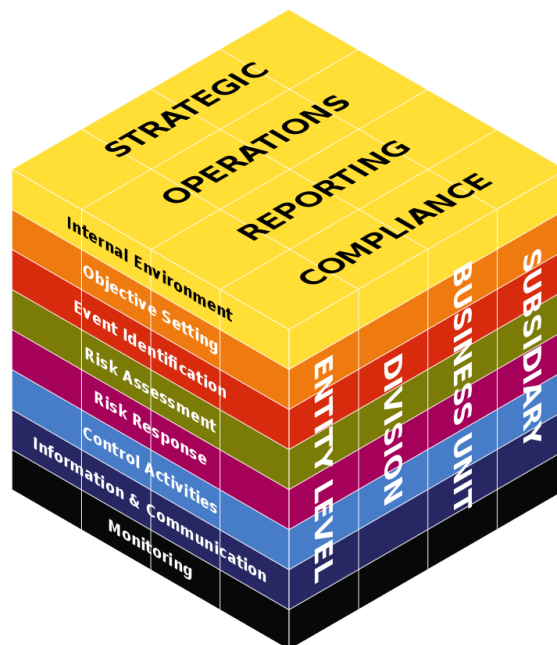
Annually, Finance reports on these controls to Audit Committee through the compilation of a Control Environment Assessment (Assessment), based on the COSO internal control framework.

Our audit assessed the effectiveness of the overall design of the Assessment and assessed the operating effectiveness of specific controls listed in the 2018 Assessment under COSO Principle Three, "Establishes Structure, Authority, and Responsibility".

Result: Finance have established a series of activities that support the annual compilation of the Assessment, based on a network of control contributors across Administration, and the utilization of the COSO internal control framework.

In reviewing the purpose of the Assessment, we identified transparency, regarding the level of assurance being provided to Audit Committee, should be improved by the inclusion of a type definition (financial, non-financial) and level definition (entity wide, or business unit level) of control included within the Assessment.

Finance agreed with our recommendation to provide greater transparency to Audit Committee regarding control definitions and have subsequently completed consultation with Audit Committee to agree the future direction of the Assessment.



Calgary Community Standards – Livery Transport Services Audit - AC2019-0278

Livery Transport Services within the Calgary Community Standards business unit regulates drivers, vehicles and companies in the livery industry according to the requirements of the Livery Transport Bylaw (6M2007).

Significant livery industry changes occurred in 2016 with the introduction of transportation network companies, which added 4,500 drivers and associated vehicles-for-hire to Livery Transport Services' responsibilities. Regulation of livery services is a critical component to ensure the safety of passengers and drivers.

Result: Overall, existing controls were operating as designed to support safety of passengers and drivers. We highlighted the contribution these controls make to public safety, such as taking vehicles with serious defects out of service.

We also noted areas within the three livery teams where existing controls required enhancement to ensure consistent performance and provided Administration with associated recommendations.

We identified three significant areas requiring improvement that reflected growing industry complexity and opportunities to provide effective and efficient monitoring of all classifications of livery vehicles and drivers:

- Validatiing security camera operation;
- Defining an integrated enforcement strategy utilizing data analytics; and
- System enhancements to provide the necessary data.



Green Line Project Governance Audit - AC2019-0353

The Green Line is the largest infrastructure investment in Calgary's history at \$4.65 billion. Given the size and complexity of the Project, effective governance is a critical component to support achievement of Project objectives.

The objective of the audit was to assess the effectiveness of the current governance framework of the Project and focused on the governance in place during Q4 2018 to support effective risk and issues management and decision making.

Result: The Green Line Project Charter was completed in February 2017, however by February 2019 key components of project governance remained incomplete or were not fully functional to effectively support the achievement of project objectives.

We recommended that the project team should implement an updated project governance framework, and, subsequently, reassess project risk again to identify underlying or previously unknown risks. The project team have requested two extensions to recommendation action plan dates which now extend to March 2020. At an appropriate time, we plan to conduct a follow-up audit of the revised governance structure.



Planning Application Review and Approval Process Audit - AC2019-0466

The Planning and Development department manages the creation and redevelopment of safe and sustainable communities in Calgary. The Calgary Approvals and Community Planning business units within Planning and Development, alongside a cross-departmental team of specialists and generalists, collectively provide planning application review and approval services with the objective of providing customers with a quality and fair decision in a timely manner.

To support this objective, Planning and Development implemented new processes to enhance the efficiency and effectiveness of review and approval processes and communication with applicants. Our audit was designed to provide assurance the Calgary Approvals and Community Planning business units had effective risk mitigation controls within their planning application review and approval process to support achievement of quality, fair, and timely decisions.

We conducted this audit since effective review and approval services are critical to development realization, which supports retention and attraction of private investment in Calgary.

Result: Overall, we determined controls related to established application review and approval processes were operating as designed. We recommended refinements to improve performance monitoring processes and feedback mechanisms. We reviewed new processes recently implemented and noted a positive effect on timelines and transparency and identified further design enhancements to achieve the intended operational objectives.

"I couldn't be happier with the audit process, the staff, and the results from the work. It has already had positive impacts on our business and the service we provide."

**- Darren Lockhart,
Manager, Planning**



Emergency Management Audit - AC2019-0678

Analyzing disaster-related risks and developing associated business continuity plans are vital to develop plans to mitigate risks to citizens and the geographical area, and to maintain viable recovery strategies for the continuity of essential services and continuity of government following a disruptive event.

This audit had two objectives. The first was to determine if The City has an effective process to prepare, review and communicate a disaster/hazard identification and risk assessment, which in turn identifies emergency management priorities for mitigation and preparedness activities. The second objective was to determine if The City's business continuity plans are designed and operating as an effective control to mitigate the risk The City is unprepared to effectively provide services during an emergency event.

The audit was conducted alongside independent but complementary audits completed by the Office of the Auditor General of Alberta, and the City of Edmonton City Auditor's Office. The intent of this audit initiative was to support broader insight and assurance on the state of emergency preparedness in Alberta and to communicate this to decision makers/the public through the audit reports.

"We appreciated the approach of the audit which in our minds improved the outcome. It felt like we were truly working with the auditor even though he was completely independent."

- Tom Sampson, Chief, CEMA



Result: We concluded that the Calgary Emergency Management Agency (CEMA) has established an effective disaster risk assessment process to support The City's emergency mitigation and preparedness activities through the preparation, review and communication of the assessment.

CEMA has designed a business continuity planning process that, when followed by business units, supports the Business Continuity Planning Policy's purpose of ensuring city services are delivered in the event of a disruption caused by emergencies. However, the business continuity planning process had not been implemented by all tested business units.

Our recommendations focused on effective escalation on non-compliance issues to the Administrative Leadership Team, engagement of business units to support adherence to the Business Continuity Planning Policy, and oversight and monitoring to ensure that business continuity plans are revised, validated, and updated as required.

Supply Management Warehouse and Inventory Audit - AC2019-1027

Effective management of inventory supports the delivery of City services by facilitating availability of inventory, while managing obsolete or unneeded inventory to make best use of City dollars, and to avoid waste.

Supply Management provides a Procurement and Warehousing service as well as an Inventory sub-service to support The City's business units. This includes both business unit specific inventory such as vehicle batteries, and more general usage items such as safety vests.

During 2018, Supply Management managed 26 warehouses and an average monthly inventory value of approximately \$43 million. The objective of this audit was to assess the effectiveness of The City's management of inventory by evaluating the design and operation of key process controls that support the accuracy and completeness of inventory records.

Result: We concluded that controls in operation supporting the accuracy and completeness of inventory records were partially effective. Controls that support the accurate entry of inventory received in FSCM, access to warehouses, and physical inventory count were designed and operating effectively. However, the system control to force a second person approval of significant inventory write off and adjustments was not operating as expected.



"The audit was very useful to ensure we have the right level of controls in place. Thanks to everyone who supported us, I felt it all went well and we got some good outputs."

**- Rob Eccleston,
Manager, Warehouse and Inventory**

Waste & Recycling Services Audit - AC2019-1240

Waste & Recycling Services provides residential blue cart recycling services to over 325,000 households. The Blue Cart Program is a key step towards achieving Council's goal of 70% waste diversion by 2025. The success of the program is impacted by materials placed in carts that are not acceptable (contaminants).

Waste & Recycling Services monitors contamination levels and utilizes an established mix of contamination prevention activities including education programs, communication campaigns, and tagging of visibly contaminated carts by Collection Services. Despite these ongoing activities The City experienced an upward trend in contamination levels following the change from weekly to bi- weekly black cart collection, which began in July 2017.

Contamination can harm workers, tasked with collecting and processing recyclables, and damage equipment when households place items like propane tanks in their blue carts, which can explode during collection and processing. The City also pays higher processing costs when contamination exceeds 8%.

The intention of the audit was to determine if Waste & Recycling Services had effective processes to evaluate and report on the effectiveness of activities and programs implemented to reduce contamination and assess whether contamination reduction activities were designed and operating effectively.

Result: We determined some components of an evaluation framework were in place or work was underway to implement them. Although Waste & Recycling Services was collecting data that could feed into an evaluation framework and support reporting on the effectiveness of activities and programs implemented to reduce contamination, additional goal setting and evaluation processes were needed to determine if contamination prevention activities were making an impact and achieving value for money.



Off-Site Levy Annual Reporting Audit - AC2019-1241

The City charges developers an Off-site Levy (OSL) under the Off-site Levy Bylaw (2M2016) to help with the cost of growth related to road, water, sanitary and storm infrastructure, and the land required for this infrastructure as permitted by the Municipal Government Act and City Charter. Developers also contribute an OSL for recreation centers, libraries, fire halls and police stations attributable to new developments and subdivisions.

The City has a responsibility to use OSL for the purpose intended and accurately account for and report on the collection and use of the OSL.

Our audit's objective was to determine whether the annual reporting process was effective to ensure complete, accurate, valid and transparent reporting on the collection and use of OSL in a timely and efficient manner that meets legislative requirements.



Result: Our audit identified an absence of a defined governance structure along with clear and consistent internal policies and procedures as a root cause of the following:

- Inadequate financial reconciliations and discrepancies in OSL collection and usage reporting;
- Absence of support for the maximum potential project spend eligible for OSL usage;
- Interest on Water Resources OSL balances not reported; and
- Insufficient information included in OSL annual reporting on whether the OSL being collected is sufficient for the planned infrastructure spend.

Alberta Pension Services (APS) - Compliance Audit

The Chief Human Resources Officer engaged the City Auditor's Office to carry out the legislated triennial compliance audit of The City's three pension plans administered by Alberta Pension Services for the 2018 pension year.

Result: We worked collaboratively with staff in Human Resources and Finance to obtain pension information and documentation to complete testing. We completed all audit steps outlined in the 2018 Alberta Pension Services Instructions and submitted required reports on June 28, 2019, to meet the June 30, 2019 deadline.

3.2 - Data Analytics Desktop Review Program

Data analytic desktop reviews broaden the reach of the CAO to conduct more audits of a specific type in less time. All of this brings deeper insights into City systems and controls and supports the ongoing assurance the CAO can provide in an economic manner. It also improves The City's ability to be responsive to changing risks.

During the pilot of this program in 2019, desktop reviews were completed in less than 50% of the average elapsed time of a traditional audit and did not require a significant amount of support time from the business under evaluation.

With the approved increase of an additional resource, we plan to launch the Data Analytics Desktop Review Program in Q2 2020. The reviews conducted under this program will provide wider assurance on operational compliance and will utilize less resource cost than a traditional risk-based audit.

The program utilizes The City's data sourced from multiple systems to evaluate compliance and best practice across the organization, to provide timely feedback to Administration when noncompliance occurs, and to monitor trends to identify escalating risks for remediation.

Result: The pilot program was successful from the perspective of both Administration and the CAO. Results of the pilot confirmed the reliability of the data. Administration indicated they found our reporting provided insight that guided opportunities for improving compliance and operational efficiency.

Over the long term, it is anticipated that significant benefits will be provided to Audit Committee and Council specific to their governance and oversight role.





3.3 - Audit Recommendations

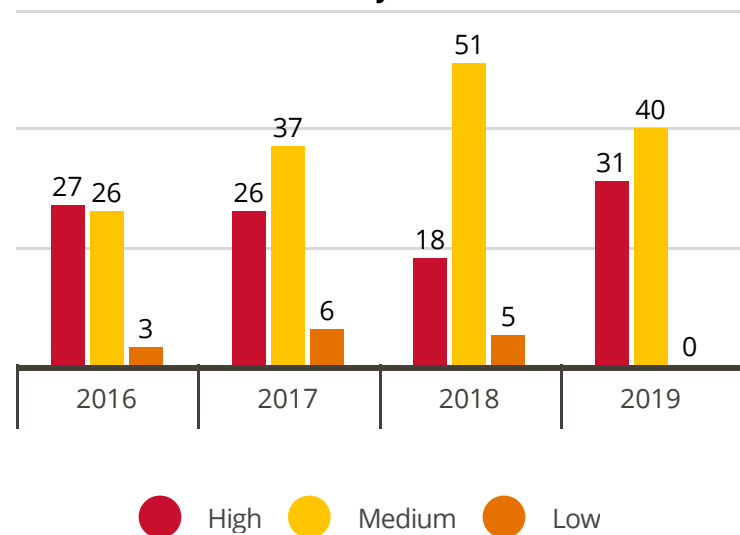
The CAO takes a risk-based approach throughout the execution of audits. Each audit focuses on key risks to the achievement of Administration's objectives, which supports meeting City priorities. With Administration's input, identified risks are ranked from high to low based on the impact and likelihood should the risk event occur. Where audit testing determines existing processes and controls result in unmitigated risk exposure (i.e. residual risk), audit recommendations are raised for Administration to respond with defined action plans.

Initiated at the beginning of 2019, our audit recommendations intentionally focused on high and medium residual risk exposure, which assists Administration and Council to prioritize resources on areas of greater importance and value. This new approach reinforces the importance of effective risk management and decision making utilizing a risk-based approach.

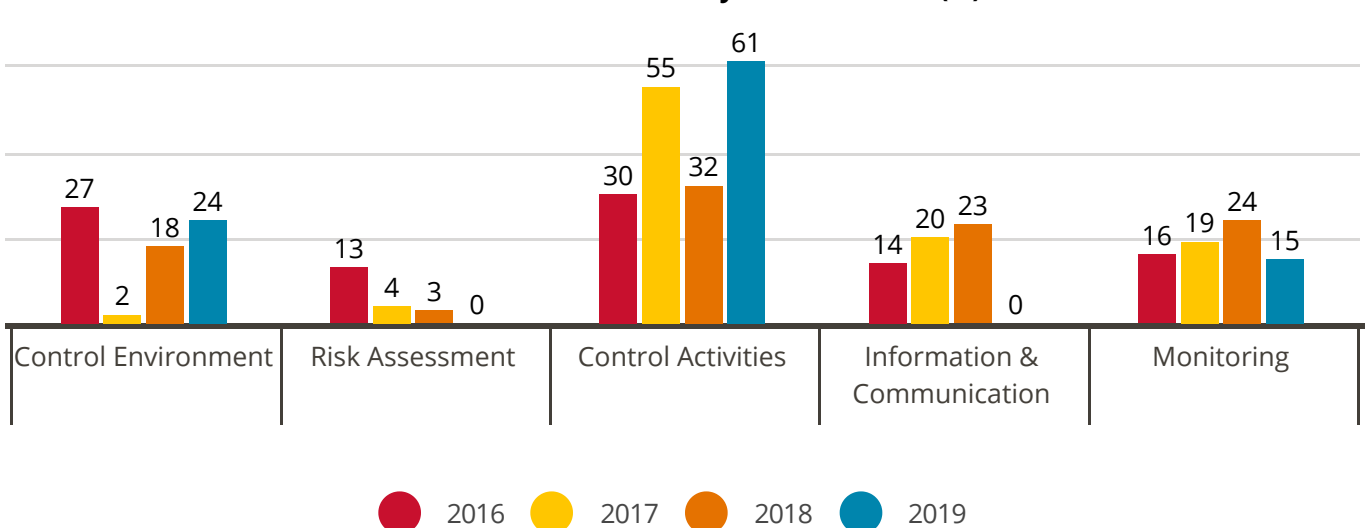
The CAO provides independent assurance regarding the effectiveness of governance, risk management, and internal control. The COSO Internal Control Framework is a widely accepted framework that outlines the principles and components necessary for an organization to effectively manage risks by implementing internal controls. The CAO categorizes recommendations into the five fundamental COSO components to identify potential trends and provide Administration with additional insight into the effectiveness of internal controls.

Over the last four years the CAO has consistently raised recommendations focused on embedding and enhancing effective control activities, which we view as a positive outcome of our risk-based audit process. We evaluate all COSO components when raising recommendations to Administration and focus on practicality, cost efficiency, addressing root cause and mitigating future business risk to an appropriate risk tolerance.

of Action Plans by Risk Level



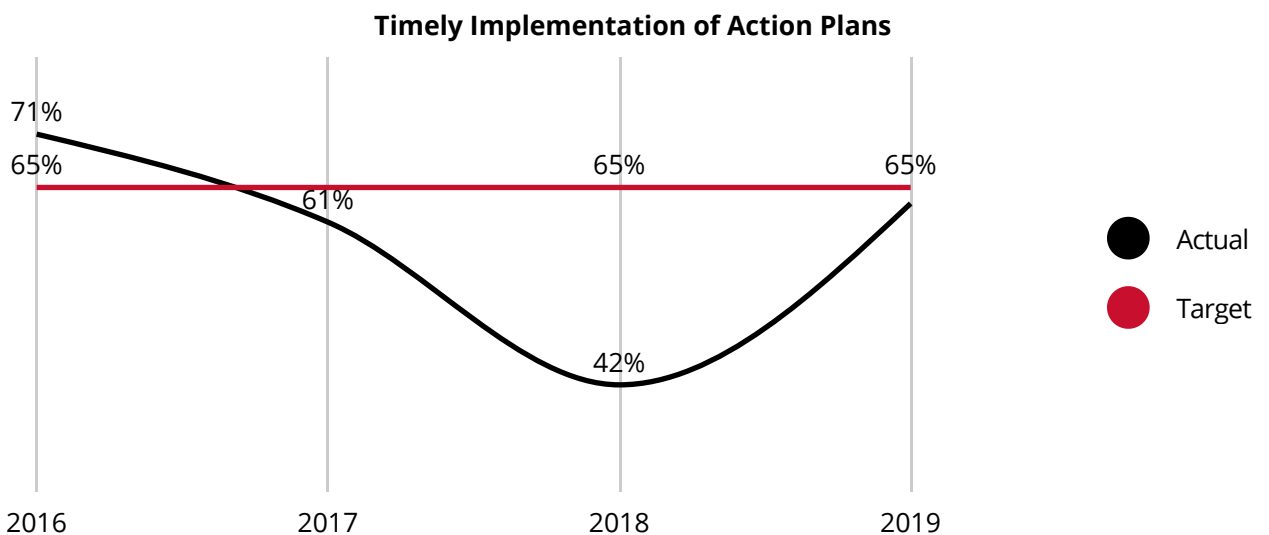
Recommendation by COSO Element (%)





3.4 - Implemented Recommendations

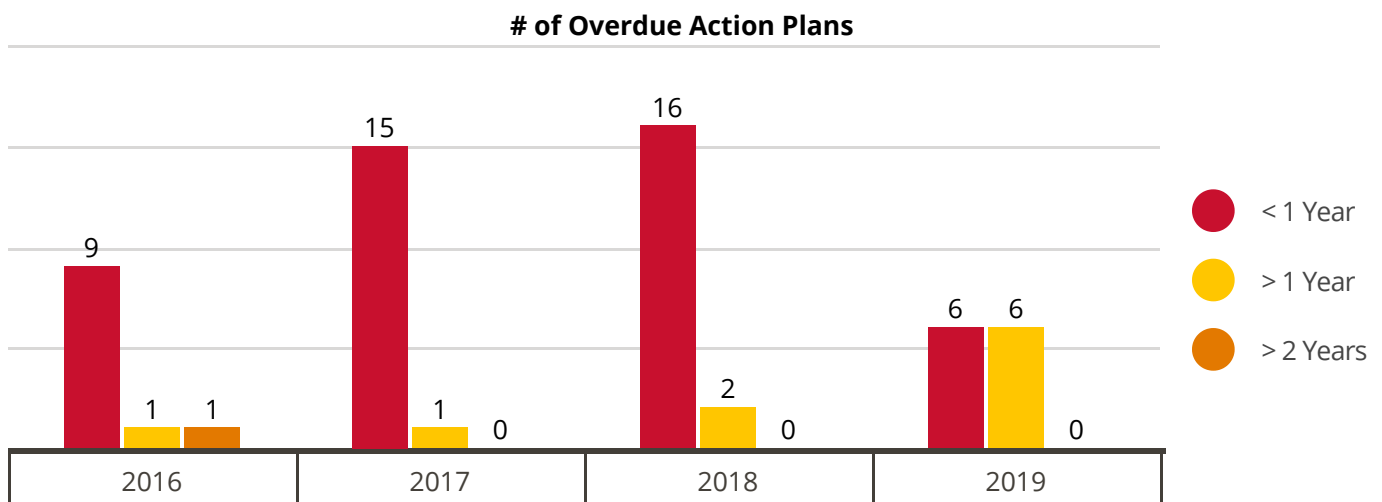
The CAO tracks the timely implementation of action plans, which frequently varies from quarter to quarter as Administration's planned actions can be impacted by other City priorities, initiatives and projects. Our tracking noted an improvement in the timely implementation of recommendations during Q3 and Q4, reflecting Administration's commitment to monitor recommendations and implement action plans to effectively mitigate risk exposure



In 2019, Administration implemented 74 action plans and accepted the risk on four outstanding plans. Of the 78 closed action plans, the majority were medium (62%) and high risk (31%).

At year-end there were 53 outstanding action plans compared to 60 in 2018. Of these, 12 were considered overdue since Administration required more time to fully implement the action plans. There was a significant reduction in the number of overdue action plans this year. We believe this is reflective of Administration's renewed commitment to focus on effective risk management.

We will continue to support Administration's commitment through quarterly monitoring of action plans and assessment of residual risk, particularly on those action plans that are outstanding for more than one year.



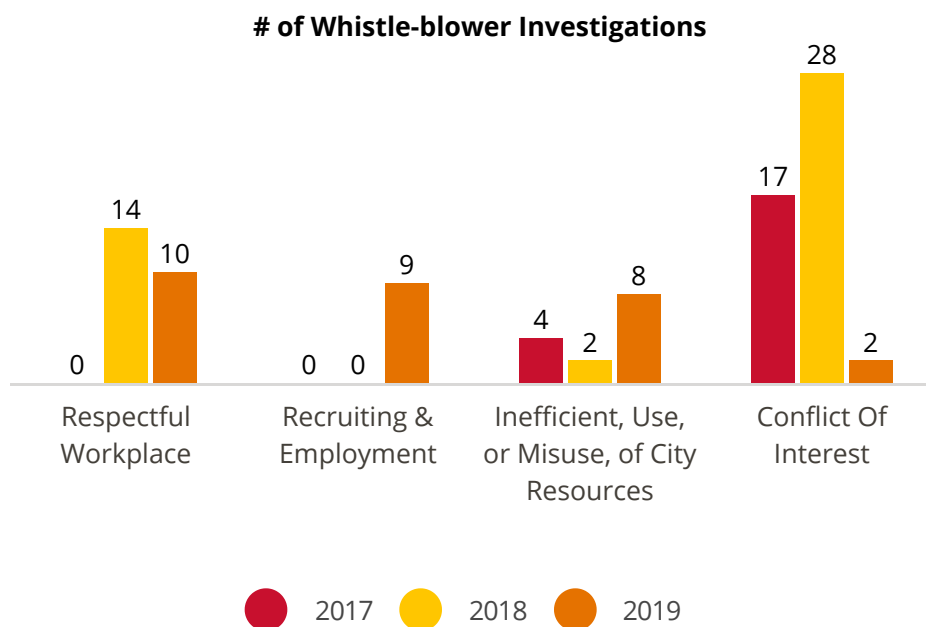
3.5 - Whistle-blower Investigation Recommendations

The WBP is more than an investigative body tasked with responding to reports of suspected acts of waste and/or wrongdoing. It provides additional value by looking at what prompted a report to a contributing event, which can either be localized or more broadly applicable across the organization. Identifying root causes and recommending timely corrective actions are valuable components of an employee reporting program and are reflected in our WBP policy.

Our recommendations assist Administration in correcting deficient processes which may have contributed to an activity investigated. There may also be times when a recommendation, as an opportunity for improvement, is raised even though the allegation was unsubstantiated. In 2019, opportunities for improvement or corrective action were identified in 48% of concluded investigations. Regular follow-up with Administration occurs to support timely action. As at year end, 61% of WBP recommendations raised during 2019 were closed. The issues supporting the outstanding recommendations are not considered high risk to the organization, and their implementation remains within expected timelines. All recommendations raised in prior years have been implemented.

The majority of recommendations raised in 2019 were in response to the investigation of allegations involving respectful workplace, recruiting and employment, and inefficient use, or misuse of City resources. A notable decrease in reporting was observed involving conflicts of interest.

Due to a direct correlation between the types of issues investigated and corrective actions recommended, it is difficult to state with certainty that the implementation of corrective actions as recommended to the WBP have directly resulted in a decrease in reporting of any specific issue. Where investigation identifies broader, or systemic issues, these are raised appropriately and result in organization-wide corrective action recommendations.



A summary of each investigation resulting in corrective action is disclosed on our webpage www.calgary.ca/whistle, which is updated on a quarterly basis. The identifying information of the individuals or business units involved is excluded as per our commitment to reporter protection and privacy.

Investigations shared on the WBP webpage may incorporate corrective actions which are not detailed or itemized. The publishing of allegations and investigative findings and corrective actions supports WBP transparency, accountability, and The City's commitment for appropriate response and action.



Reliability: Audit, advisory and investigative services add value and are effectively completed by skilled, experienced professionals.

4.1 - Audit and Advisory Professional Work Standards

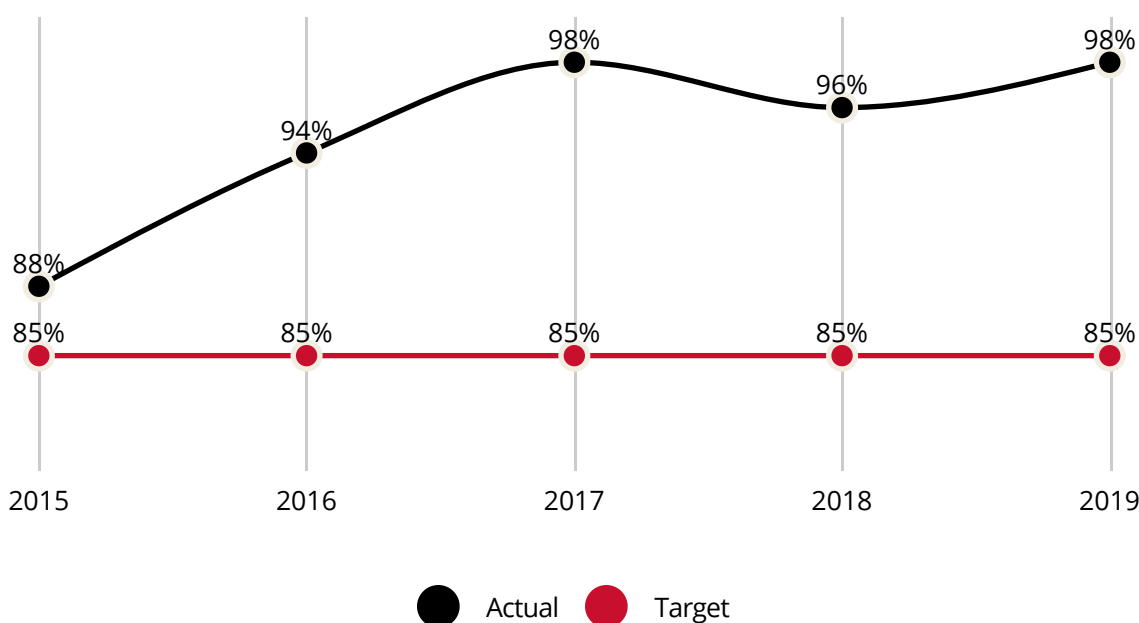
The CAO conducts its audit and advisory activities in adherence with the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (Standards). The Standards require an internal quality program to be implemented. Our internal quality program was conducted throughout the year, and included the completion of:

- Quarterly audit file peer reviews (by an auditor not involved in the audit);
- Quarterly KPI monitoring;
- Post-audit lessons learned exercises and client surveys; and
- Periodic review and update of key audit processes.

The internal quality activity evidenced conformance to standards, and opportunities for further process improvements were incorporated into updates of procedures and practices. As part of this activity, the CAO confirms the continued organizational independence of its operation.

Client Satisfaction Survey

The CAO requests internal Administration's feedback at the conclusion of each audit project through a survey of ten questions focused on audit delivery and value add. Fourteen client surveys were received during 2019 covering ten audits with a response rate of 70%. In future years we plan to adjust the survey to capture feedback on advisory services and value provided.





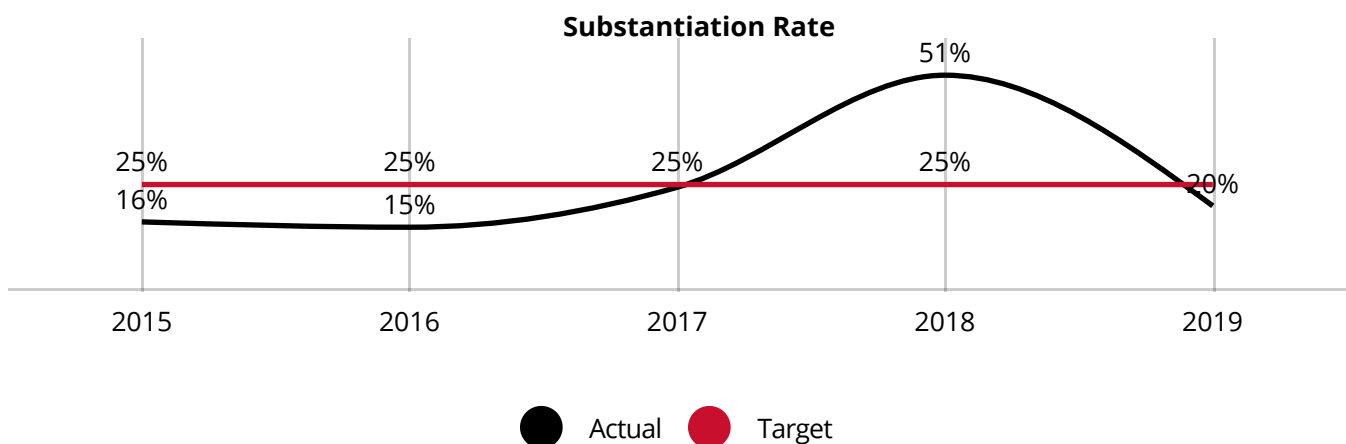
4.2 - Whistle-blower Investigation Practices

Whistle-blower investigations are carried out in alignment with best practices and the codes of conduct of the Association of Certified Fraud Examiners and Association of Certified Forensic Investigators of Canada. Quality reviews are conducted on all completed investigations.

WBP assessment procedures applied to each report received determine whether the allegations raised by employees and Calgarians merit further investigation. Only an investigation can determine whether an activity as reported is substantiated. The substantiation rate of investigations completed in 2019 was 20%, slightly below the five-year average of 25%.

While attaining a high substantiation rate is not an objective of the WBP, a higher rate can be an indicator of an informed reporter who, familiar with what constitutes a breach or violation of policy or procedure, submits a timely and specific report which is critical in investigating allegations.

Several factors contribute to substantiation rates including: quality of information provided in support of allegations, transparency within an organization regarding decision-making, the number of allegations investigated, and the standard of proof applied to investigations.



Sensitive Reports

WBP procedures require all whistle-blower reports involving any staff member of the CAO to be assessed independently by the Chair of Audit Committee. Reports submitted online and identified as sensitive are redirected for confidential review only by the Chair, bypassing staff tasked with operating the WBP. On the determination a report does not involve a staff member of the CAO, the Chair, redirects the report to the WBP for assessment. Reports identified as sensitive and not redirected to the WBP are not included in any statistics reported.

The Chair has confirmed that sensitive reports received in 2019 were appropriately assessed and, with the exception of one, were considered closed at year end.

Whistle-blower Protection

Any City employee reporting a concern to the WBP in good faith is provided protection against reprisal. City employees who believe reprisal has occurred are encouraged to contact the City Auditor. Any suspected acts of reprisal reported to the City Auditor in 2019 were appropriately assessed and concluded.

4.3 - Professional Designations & Training

The foundation of the CAO is the professional skills and knowledge of the staff. To run effective audits, advisory projects and investigations, a range of complementary professional designations enhances the team's effectiveness. All staff conducting audits, advisory and whistle-blower investigations have at least one of the Certified Internal Auditor, Certified Information Systems Auditor, Certified Fraud Examiner or Certified Forensic Investigator designations.

Professional Designation	Number of Staff
Internal Audit	9
Fraud	4
Accounting	9
IT	5
Project Management	2

Staff Training

Staff need to continually build knowledge and skills to keep current on best practices, build expertise and support succession planning. Individual learning and development plans are developed at the beginning of each year for each staff member that balance training needs, budget, and resource constraints.

As we value the importance of staff training, we monitor the completion of these plans.

Measure Area	Performance Indicator	Target	2019	2018	2017	Comments
Staff	Training Plan Achieved	90%	96%	98%	98%	Professional training included a cost effective mix of internal/external and self-study

Throughout 2019, two of our professional staff have contributed personal time to give back to their external peer community through volunteering as a Board member of IIA Canada or as a Sub-committee Chair of the Association of Local Government Auditors.

Resilience: Establish and maintain structure and protocols, which provide adaptability and agility, to ensure the continued delivery of City Auditor's Office services.

5.1 - Budget

The CAO strives to provide the highest level of independent and objective assurance, advisory and investigative services within our Council-approved budget. Our approved 2019 annual budget includes costs associated with completing audit, advisory and investigative services.

Capital Budget

Council approved a one-time capital investment of \$140K to enhance CAO resiliency and our ability to deliver our services. Over the last year, the CAO completed an effective office renovation that improved our productivity and office technology in an enriched space. The key improvements of the \$85K renovation were:

- Upgrade existing meeting rooms to address end of life technology and align to City standards.
- Create office and meeting spaces to accommodate approved FTE from 16 in 2018 to 18 in 2020.

Operating Budget

Most of the CAO budget represents salary and associated costs for the professional team. The CAO generally maintains funding within its budget to enable the office to hire subject matter experts to evaluate specialized risk areas or provide specific knowledge. In 2019, this budget was eliminated due to Council-mandated budget reductions. The CAO was able to utilize contract audit resources to assist with the Fire Inspections Audit due to a staff departure in Q4.

(\$'000's)	2019 Annual Budget	2019 Actual	Variance	2018 Annual Budget	2018 Actual	2017 Annual Budget	2017 Actual
Salary	2,684	2,585	(99)	2,619	2,424	2,619	2304
Tools & Technology	120	108	(12)	125	118	115	113
Training	52	56	4	65	51	65	71
Contracted Work	0	10	10	21	18	70	113
Other	78	78	0	84	71	81	66
Total	2,934	2,837	(97)	2,914	2,682	2,950	2,667

5.2 - Business Continuity

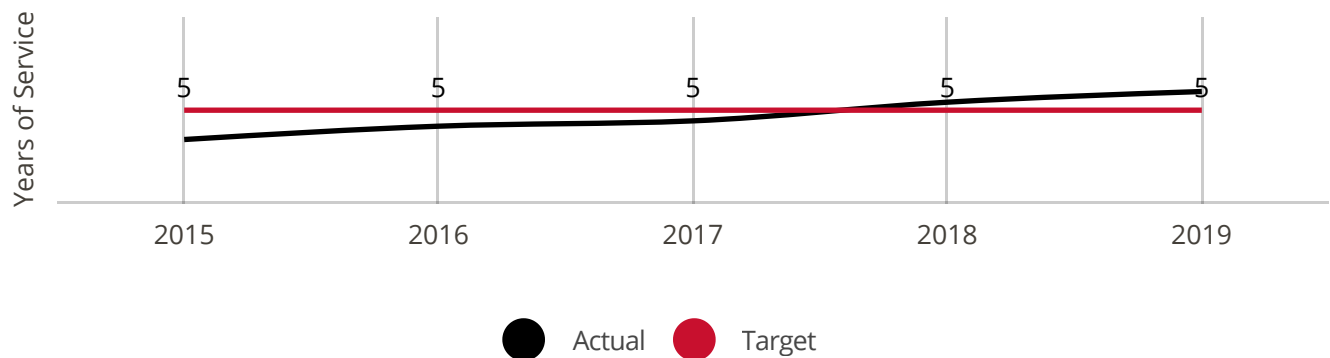
The purpose of business continuity is to ensure City Services can be delivered in the event of a disruption caused by emergencies. To further support our resilience, during 2019 the CAO reviewed and updated our Business Continuity Plan, and supporting business impact assessments. We also completed a walk-through of our Business Continuity Plan as a team and confirmed through testing our ability to access IT services from outside our office space.

5.3 -Staff Engagement and Retention

The City of Calgary has conducted annual employee surveys since 2005 to measure corporate goals, business planning cycles, performance management processes and wellness initiatives. The survey includes questions on employee engagement, mental health, inclusion, perceptions of safety, customer service, collaboration and communication.

Over the last three years, The CAO has maintained consistently high scores in all of the key drivers to support employee engagement and retention. Our commitment to our staff and the work we do every day is an essential part of our accountability, mission and mandate as an effective audit team that provides transparency and a consistent delivery of excellent services and value-added advisory and investigatory services.

We track staff retention on an annual basis. Our target of an average of five years of service or higher reflects the need for staff to have an in-depth knowledge of The City to consistently deliver according to internal standards and provide value-added advice. At the end of 2019, our staff had an average of six years of service within the CAO.



Looking for more Information?

Visit our website at www.calgary.ca/auditor to find more information and to read our audit reports.

You can also learn more about the Whistle-blower program at www.calgary.ca/whistle

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0177**

Audit Committee 2019 Year-End Annual Status Report

EXECUTIVE SUMMARY

This report is the 2019 Year-End Annual Status Report for Audit Committee which includes the status of the 2019 Work Plan, the Audit Committee budget and the activities of the Audit Committee (Committee).

ADMINISTRATION RECOMMENDATION:

That the Audit Committee receive this Report and Attachment for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012 states that Audit Committee:

“develops a detailed annual work plan which is forwarded to Council for information.”

Schedule “A”, Section 1(k)

“The Executive Assistant will provide planning, documentation and meeting logistical support to the Audit Committee under the direction of the Audit Committee Chair.”

Schedule “D”, Section 4

BACKGROUND

The Audit Committee 2019 Year-End Annual Status Report is provided after the conclusion of the year.

Audit Committee Membership and Support

Committee membership for 2019 consisted of four members of Council and three citizen members. Appointments to the Committee were made at Council’s Organizational Meeting in October of 2018 with Councillors serving one-year terms and citizens serving staggered two-year terms. The Chair and Vice Chair were appointed at the first Audit meeting (November 2018) following the Organizational Meeting.

- Councillor Gian-Carlo Carra (2019 January – October)
- Councillor Diane Colley-Urquhart (2019 November – December)
- Councillor Jeromy Farkas (2019 January – December)
- Councillor Jyoti Gondek (2019 January - December) Vice-Chair
- Councillor Evan Woolley (2019 January – December) Chair
- Citizen Representative Lori Caltagirone (2019 January – December)
- Citizen Representative Michael Dalton (2019 January – December)
- Citizen Representative Michael Lambert (2019 January – December)

The Committee was supported throughout the year by the following persons:

- External Auditor, Mr. Trevor Nakka, Deloitte LLP
- External Auditor, Ms. Harman Gill, Deloitte LLP
- City Auditor, Ms. Kathy Palmer
- Chief Financial Officer, Ms. Carla Male
- Executive Assistant to Audit Committee, Ms. Corrie Smillie

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0177**

Audit Committee 2019 Year-End Annual Status Report

Audit Committee Meeting Videos

Effective the 2019 June 27 Audit Committee meeting the live streaming video proceedings (with the exclusion of the Closed portion) have been archived on Calgary.ca under Council and Committee Agendas, Minutes and Video. This archived video is retained for a period of four years and is available for viewing by members of the public and Administration. Agendas and Minutes are retained indefinitely.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Status of Audit Committee 2019 Work Plan

There were nine Committee meetings held in 2019; with no meetings scheduled in May, August and December. The Audit Committee 2019 Work Plan includes all reports and items scheduled for each meeting in the year and was completed at the 2019 December 6 meeting. Throughout the year reports from the City Auditor, External Auditor, Executive Assistant and Administration were added as required and other reports deferred or removed pursuant to the Chair of Audit's authority to do so contained in the Audit Committee Bylaw 48M2012.

Reports and presentations were also provided by eleven Civic Partners in 2019:

- Attainable Homes Calgary Corporation
- Calgary Arts Development Authority
- Calgary Convention Centre Authority
- Calgary Economic Development
- Calgary Housing Company
- Calgary Municipal Land Corporation
- Calgary Parking Authority
- Calgary Police Commission
- Calgary Public Library
- ENMAX Corporation
- Opportunity Calgary Investment Fund

At every Audit Committee during the closed meeting (public is excluded) the Chief Financial Officer, External Auditor and City Auditor were provided with an opportunity to discuss any confidential matters with the Committee in the absence of each other.

The detailed completed 2019 Work Plan is attached (Attachment) for information.

Audit Committee Working Groups

In 2019 the Audit Committee created three working groups to focus on (a) strategic issues, (b) Audit Committee Bylaw 48M2012 review and (c) Referral from Council on Comprehensive Public-Sector Pension Review.

**Audit Resource Management Report to
Audit Committee
2020 February 13**

**ISC: UNRESTRICTED
AC2020-0177**

Audit Committee 2019 Year-End Annual Status Report

(a) Strategic Working Group

At the 2019 April 23 Audit Committee meeting a Strategic Working Group (SWG), led by Councillor Woolley, was established to review strategic matters of the Audit Committee. Membership consisted of

- Councillor Evan Woolley
- Councillor Gian-Carlo Carra
- Citizen Representative Ms. Lori Caltagirone
- Citizen Representative Mr. Michael Dalton
- Citizen Representative Mr. Michael Lambert

The SWG was supported by an external consultant Mr. Dave Robertson of Mistri Consulting, the City Auditor and the Executive Assistant to Audit Committee.

The SWG convened on four occasions and at the time of writing this report the SWG was preparing a report to the 2020 February 13 Audit Committee Meeting providing an update on the work undertaken by this group (AC2020-0082, Audit Committee Strategic Working Group Update).

(b) Bylaw Review Working Group (BRWG)

At the 2019 March 22 Committee meeting a Bylaw Review Working Group, led by Councillor Woolley was established to review Audit Committee Bylaw 48M2012. Bylaw review every three years is a requirement indicated in Bylaw 48M2012. Membership of BRWG consists of

- Councillor Jeromy Farkas
- Councillor Evan Woolley
- Citizen Representative Ms. Lori Caltagirone

The BRWG is supported by an external consultant Mr. Dave Robertson of Mistri Consulting, the City Auditor, a Representative from the Law Department and the Executive Assistant to Audit Committee.

The BRWG began their review in 2019 November and the work is still ongoing with anticipated bylaw amendments to be brought to the Committee and Council in Q2 2020.

(c) Pension Referral Working Group (PRWG)

Council referred Notice of Motion C2019-0568, Comprehensive Public-Sector Pension Review to the Audit Committee. At the 2019 June 27 Committee meeting a Pension Referral Working Group led by Councillor Gondek was created to look at how best to achieve the intent of the notice of motion. Membership was as follows:

- Councillor J. Gondek
- Citizen Representative Ms. Lori Caltagirone
- Citizen Representative Mr. Michael Dalton
- Citizen Representative Mr. Michael Lambert

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The PRWG was supported by a representative from Human Resources and the Executive Assistant to Audit Committee.

The PRWG met several times with a final report to Audit Committee (AC2019-1329) on 2019 October 24.

Audit Committee Engagement Opportunities

Outside of the regular meeting schedule Audit Committee members had opportunities to provide their expertise and feedback to Administration on the following issues at The City:

- Risk Appetite and Tolerance
- Council's Investment Policy
- Control Environment Assessment Report redesign

Audit Committee Development Opportunities

Throughout 2019 there were several learning opportunities offered to the Audit Committee:

- Strategic Workshop Part 1– Full day facilitated workshop, 2019 February 1
- Strategic Workshop Part 2 – Facilitated workshop, 2019 February 28
- Strategic Workshop – Facilitated follow-up sessions, 2019 March 22 and July 23
- Procedure Bylaw 35M3017 – Presentation by City Clerks, 2019 June 19
- Calgary Annual Report Information Session – Presentation by Finance, 2019 April 10

Audit Committee 2019 Budget

The Audit Committee Bylaw 48M2012 provides for the Committee to develop a budget and recommend it to Council as part of The City's budget process. The Committee's operating budget for 2019 was approved by Council in November 2018 as part of the One Calgary 2019-22 Service Plans and Budgets.

The Audit Committee's 2019 operating budget was \$748,917. A mid-year adjustment in the amount of \$32,000 was made pursuant to Council's direction for the Corporation to find additional savings; leaving a total operating budget of \$716,917.

There was a positive variance of \$242,000 at the end of 2019 December. The variance mainly relates to the remaining balance in consulting and contract fees, as well as a surplus in salaries, benefits and business expenses.

**Audit Resource Management Report to
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Audit Committee 2019 Year-End Annual Status Report

Approval of Audit and Non-Audit Services

The Audit Committee Bylaw 48M2012 states that the Audit Committee:

“pre-approves all audit and non-audit services performed by the External Auditor. However, the Audit Committee Chair can pre-approve additional audit or non-audit services, performed by the External Auditor, up to \$25,000 total annually. Any approvals by the Chair will be reported to the Audit Committee as part of the Audit Committee Quarterly Status Report.”

Schedule “B”, Section 1(b).

There were no pre-approvals by the Chair of Audit for additional audit or non-audit services performed by the External Auditor in 2019.

Stakeholder Engagement, Research and Communication

Throughout the year the Executive Assistant to Audit collaborates with the City Auditor’s Office, External Auditor, Civic Partners, Chief Financial Officer, City Clerk’s Office and other representatives of Administration on Audit Committee work plan items, forthcoming audits, reporting procedures, agenda development and meeting management.

Strategic Alignment

This report aligns with Council’s Priority of a well-run city; “Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners and others.

Social, Environmental, Economic (External)

The diverse role of the Audit Committee at the City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management and corporate governance.

Financial Capacity

Current and Future Operating Budget:

This report has no operating budget implications.

Current and Future Capital Budget:

Not applicable.

Audit Resource Management Report to
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Audit Committee 2019 Year-End Annual Status Report

Risk Assessment

There is no risk associated with this Report.

REASON(S) FOR RECOMMENDATION(S):

This Report is a final update on the status of the 2019 Audit Committee activities.

ATTACHMENT

Audit Committee 2019 Work Plan

AUDIT COMMITTEE 2019 WORK PLAN

Reports added, removed, deferred or brought forward are in bold text.

AGENDA DATE	REPORTS	ACCOUNTABILITY	NOTES AND REPORT NO.
January 31 Thursday	<u>PUBLIC MEETING ITEMS</u>		
	External Auditor 2017 Management Letter Update	External Auditor	AC2019-0022
	Annual Principal Corporate Risk Report	City Manager	AC2019-0032
	Audit Committee Professional Development (not part of Agenda)	Executive Assistant to Audit	Strategic Wkshp 2019 Feb 1
	New Accounting Standards Update (Verbal)	Chief Financial Officer	AC2019-0140
	<u>CLOSED MEETING ITEMS</u>		
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0042
	External Auditor (Verbal)	External Auditor	AC2019-0084
	City Auditor (Verbal)	City Auditor	AC2019-0085
	City Auditor 2018 Performance Review (Verbal)	Chair, Audit Committee	AC2019-0105
	External Auditor – Provision of Additional Services	External Auditor	Added: AC2019-0082
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Calgary Parking Authority Asset Management Process Audit	City Auditor	AC2019-0010
February 28 Thursday	<u>PUBLIC MEETING ITEMS</u>		
	City Auditor's Office 2018 Annual Report	City Auditor	AC2019-0213
	Audit Committee 2018 Year-End Annual Status Report	Executive Assistant to Audit	AC2019-0023
	Audit Committee Professional Development - Part 2 (not part of Agenda)	Executive Assistant to Audit	Part 2 2019 Feb 28
	<u>CLOSED MEETING ITEMS</u>		

	Audit Committee Self-Assessment 2017-2018 Update	Executive Assistant to Audit	AC2019-0008
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0200
	External Auditor (Verbal)	External Auditor	AC2019-0201
	City Auditor (Verbal)	City Auditor	AC2019-0202
	External Auditor 2018 Service Plan Update	External Auditor	Added: AC2019-0273
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Annual Control Environment Assessment Audit	City Auditor	AC2019-0214
March 22 Friday	<u>PUBLIC MEETING ITEMS</u>		
	Audit Committee Bylaw 48M2012 Review	Executive Assistant to Audit	AC2019-0290
	Code of Conduct Annual Report	Chief Financial Officer	AC2019-0307
	Presentation from Human Resources	Chief Financial Officer	AC2019-0308 Referred to June 2019 Meeting
	Committee Development (Strategic Session) (not part of Agenda)	Executive Assistant to Audit	2019 March 22
	Rescheduling of 2019 July and September Audit Committee Meetings (Verbal)	Executive Assistant to Audit	Added: AC2019-0375
	<u>CLOSED MEETING ITEMS</u>		
	Progress Update on 2018 City of Calgary Annual Report (Verbal)	Chief Financial Officer	AC2019-0313
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0314
	External Auditor (Verbal)	External Auditor	AC2019-0315
	City Auditor (Verbal)	City Auditor	AC2019-0316
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Calgary Community Standards – Livery Transport Audit	City Auditor	AC2019-0278
	Green Line Project Governance Audit	City Auditor	AC2019-0353
	<u>PUBLIC MEETING ITEMS</u>		

<p>April 23 Tuesday</p> <p>Start time revised to 8:30 a.m.</p>	Control Environment Assessment and Management Representations Update	Chief Financial Officer	AC2019-0529
	2018 Annual Investment Report	Chief Financial Officer	AC2019-0503
	2018 City of Calgary Annual Report	Chief Financial Officer	AC2019-0498
	2018 External Auditor's Year-End Report	External Auditor	AC2019-0438
	City Auditor's Office 1 st Quarter 2019 Status Report	City Auditor	AC2019-0469
	Audit Committee Strategic Working Group (Verbal)	Executive Assistant to Audit	Added: AC2019-0464
	<u>CLOSED MEETING ITEMS</u>		
	External Auditor Annual Renewal (Verbal)	Chair of Audit	AC2019-0443
	Civic Partner Audit Report	General Manager – Community Services	AC2019-0472
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0439
	External Auditor (Verbal)	External Auditor	AC2019-0440
	City Auditor (Verbal)	City Auditor	AC2019-0441
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Planning Application Review and Approval Process Audit	City Auditor	AC2019-0466
May	NO MEETING SCHEDULED		
<p>June 27 Thursday</p>	<u>PUBLIC MEETING ITEMS</u>		
	Calgary Public Library Audit and Finance Committee Annual Report	Calgary Public Library	AC2019-0526
	ENMAX Audit and Finance Committee Annual Report	ENMAX	AC2019-0527
	Calgary Convention Centre Authority – Audit Committee Annual Report	Calgary Convention Centre Authority	Rescheduled to July 23 Meeting
	Calgary Municipal Land Corporation - Audit Committee Annual Report	Calgary Municipal Land Corporation	AC2019-0528
	External Auditor 2018 Management Letter	External Auditor	AC2019-0672

	Committee Development (not part of Agenda)	Executive Assistant to Audit Committee	Proc Bylaw Workshop June 27
	Presentation from Human Resources (Referred to Admin at March Meeting)	Chief Financial Officer	Rescheduled to a future meeting (date undeter- mined)
	<u>CLOSED MEETING ITEMS</u>		
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0631
	External Auditor (Verbal)	External Auditor	AC2019-0632
	City Auditor (Verbal)	City Auditor	AC2019-0633
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Emergency Management Audit	City Auditor	AC2019-0678

<p>July 23* Tuesday</p> <p>*Rescheduled from July 19 to July 23</p>	<p><u>PUBLIC MEETING ITEMS</u></p> <p>Calgary Economic Development Audit Committee Annual Report</p> <p>Calgary Arts Development Authority Audit Committee Annual Report</p> <p>Calgary Convention Centre Authority – Audit Committee Annual Report</p> <p>Integrated Risk Management Model Update</p> <p>City Auditor's Office 2nd Quarter 2018 Status Report</p> <p>External Auditor 2019 Service Plan and Fees</p> <p>Information Technology Risk Management Annual Update</p> <p>Report on Revised Annual Audit Planning Approach</p> <p>Committee Development (not part of Agenda)</p>	<p>Calgary Economic Development</p> <p>Calgary Arts Development Authority</p> <p>Calgary Convention Centre</p> <p>Chief Financial Officer</p> <p>City Auditor</p> <p>External Auditor</p> <p>Chief Financial Officer</p> <p>City Auditor</p> <p>Executive Assistant to Audit</p>	<p>Rescheduled to October Meeting</p> <p>AC2019-0624</p> <p>AC2019-0614 Rescheduled from June Mtg</p> <p>AC2019-0356</p> <p>AC2019-0900</p> <p>AC2019-0936</p> <p>AC2019-0945</p> <p>AC2019-0899 Added</p> <p>Strategic Update Session 2019 July 23</p>
	<p><u>CLOSED MEETING ITEMS</u></p> <p>External Auditor 2018 / 2019 Performance Assessment</p> <p>Audit Forum (Verbal)</p> <p>External Auditor (Verbal)</p> <p>City Auditor (Verbal)</p> <p><u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u></p> <p>When Available</p>	<p>Chief Financial Officer and Executive Assistant to Audit</p> <p>Audit Committee and CFO</p> <p>External Auditor</p> <p>City Auditor</p> <p>City Auditor</p>	<p>AC2019-0937 Deferred to September Mtg</p> <p>AC2019-0940</p> <p>AC2019-0941</p> <p>AC2019-0942</p>
<p>August</p>	<p>NO MEETING SCHEDULED</p>		

*September 6 Friday *Rescheduled from Sept 3 to September 6	<u>PUBLIC MEETING ITEMS</u>		
	Calgary Police Commission Finance and Audit Committee Annual Report	Calgary Police Commission	AC2019-0629
	Calgary Parking Authority Audit Committee Annual Report	Calgary Parking Authority	AC2019-0630
	City Auditor Bylaw and Charter Review	City Auditor	Deferred to undetermined meeting date
	Audit Committee Bylaw Review Update	Executive Assistant to Audit	Deferred to an undetermined meeting date
	2019 Law Department Annual Report (public and closed meeting components)	City Solicitor – General Counsel	Deferred to October 24 Meeting
	Audit Committee Membership Update	Executive Assistant to Audit	Not required
	Green Line Project Progress Update	General Manager, Transportation	Added by amd March 22 Mtg AC2019-1107
	Presentation from Human Resources	Chief Financial Officer	Deferred from June Meeting AC2019-1095
	Referral from Council: Comprehensive Public-Sector Pension Review, C2019-0568	Councillor Jyoti Gondek	AC2019-1041
	<u>CLOSED MEETING ITEMS</u>		
	External Auditor 2018 / 2019 Performance Assessment	Chief Financial Officer and Executive Assistant to Audit	AC2019-0937 Deferred from July Meeting
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-0993
	External Auditor (Verbal)	External Auditor	AC2019-0994
	City Auditor (Verbal)	City Auditor	AC2019-0995
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Supply Management Warehouse and Inventory Audit	City Auditor	AC2019-1027

October 24 Thursday	<u>PUBLIC MEETING ITEMS</u>		
	Calgary Housing Company Audit and Risk Management Committee Annual Report	Calgary Housing Company	AC2019-0645
	Attainable Homes Calgary Corporation Audit and Accountability Committee Annual Report	Attainable Homes Calgary Corporation	AC2019-0646
	Calgary Economic Development Audit Committee Annual Report	Calgary Economic Development	Deferred from July Meeting AC2019-0625
	Opportunity Calgary Investment Fund	Opportunity Calgary Investment Fund	Added AC2019-0890
	City Auditor's Office 3 rd Quarter 2018 Status Report	City Auditor	AC2019-1244
	City Auditor's Office Revised 2020 Audit Plan	City Auditor	AC2019-1243
	2019 Law and Corporate Security Report	City Solicitor	Defer from Sept AC2019-1361
	Comprehensive Public Sector Pension Review Referral to Audit Final Report	Councillor Gondek	Added AC2019-1329
	Committee Development (not part of Agenda)	Executive Assistant to Audit	Not required
	<u>CLOSED MEETING ITEMS</u>		
	Audit Committee Annual Self-Assessment (2018-2019)	Executive Assistant to Audit	Deferred to December 6 Mtg
	City Auditor's Office Budget 2020	City Auditor	Part of CAO Verbal report
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-1210
	External Auditor (Verbal)	External Auditor	AC2019-1212
	City Auditor (Verbal)	City Auditor	AC2019-1214
	External Auditor Pre-Approval Request	External Auditor	Added AC2019-1362
	External Auditor Provision of Additional Services	External Auditor	Added AC2019-1363
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Data Analytics Desktop Review Program	City Auditor	AC2019-1242
	Off-site Levy Annual Reporting Audit	City Auditor	AC2019-1241

November	NO MEETING SCHEDULED		
December 6 Friday	<u>PUBLIC MEETING ITEMS</u>		
	Election of Chair and Vice-Chair	City Clerks	
	Audit Committee Orientation (not part of Agenda)	Executive Assistant to Audit	Not required
	Audit Committee Interim 2020 Work Plan	Executive Assistant to Audit	AC2019-1541
	Presentation from Finance	Chief Financial Officer	Deferred to February 2020
	Control Environment Assessment Report Redesign Update	Chief Financial Officer	Deferred to January 2020
	Status of Community Associations and Social Recreation Organizations on City-Owned Land	General Manager - Community Services	AC2019-1175
	Reschedule 2020 January 23 Audit Committee Meeting to 2020 January 24	Executive Assistant to Audit	AC2019-1550
	<u>CLOSED MEETING ITEMS</u>		
	Audit Forum (Verbal)	Audit Committee and CFO	AC2019-1481
	External Auditor (Verbal)	External Auditor	AC2019-1482
	City Auditor (Verbal)	City Auditor	AC2019-1483
	Audit Committee Annual Self-Assessment (2018-2019)	Executive Assistant to Audit	Deferred from October meeting AC2019-1213
	<u>CITY AUDITOR'S OFFICE AUDIT REPORTS</u>		
	Waste and Recycling – Blue Cart Contamination Prevention Audit	City Auditor	AC2019-1240