



AGENDA

AUDIT COMMITTEE

January 9, 2025, 9:30 AM

ENGINEERING TRADITIONS COMMITTEE ROOM

Members

Councillor E. Spencer, Chair
Councillor J. Wyness, Vice-Chair
Councillor A. Chabot
Councillor C. Walcott
Public Member K. Kim
Public Member C. McGillivray
Public Member J. Naicker
Mayor J. Gondek, Ex-Officio

SPECIAL NOTES:

Public are encouraged to follow Council and Committee Meetings using the live stream: www.calgary.ca/watchlive

Members may be participating remotely.

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, 2024 December 12
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None
6. POSTPONED REPORTS
(including related/supplemental reports)
None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Chief Administrative Officer's Principal Corporate Risk Update (Verbal), AC2025-0016
- 7.2 2024 Year-End Principal Corporate Risk Report, AC2025-0002
Attachments 4 and 5 held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2030 January 31

- 7.3 External Auditor 2023 Management Letter Update, AC2025-0048
- 7.4 City Auditor's Office 4th Quarter 2024 Report, AC2025-0019

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 Annual Environmental, Social, and Governance Report Framework, AC2025-0003
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2029 December 31

10.1.2 External Auditor (Verbal), AC2025-0044
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.1.3 Audit Forum (Verbal), AC2025-0046
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.1.4 City Auditor (Verbal), AC2025-0045
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.2 URGENT BUSINESS

11. BRIEFINGS
None

12. ADJOURNMENT



**MINUTES
AUDIT COMMITTEE**

**December 12, 2024, 9:30 AM
ENGINEERING TRADITIONS COMMITTEE ROOM**

PRESENT: Councillor E. Spencer, Chair
Councillor J. Wyness, Vice-Chair (Remote Participation)
Councillor C. Walcott
Public Member K. Kim
Public Member C. McGillivray

ABSENT: Public Member J. Naicker

ALSO PRESENT: A/Chief Financial Officer L. Tochor
General Manager C. Arthurs
General Manager K. Black
General Manager D. Hamilton (Remote Participation)
City Auditor L. Ormsby
External Auditor H. Gill
Executive Advisor C. Smillie
A/City Clerk S. Lancashire
Legislative Advisor A. Lennox

1. **CALL TO ORDER**

Councillor Spencer called the meeting to order at 9:30 a.m.

ROLL CALL

Councillor Walcott, Public Member Kim, Public Member McGillivray, and Councillor Spencer

Absent from Roll Call: Councillor Wyness and Public Member Naicker

2. **OPENING REMARKS**

Councillor Spencer provided opening remarks and a traditional land acknowledgement.

Councillor Wyness (Remote Member) joined the meeting at 9:31 a.m.

3. **CONFIRMATION OF AGENDA**

Moved by Councillor Walcott

That the Agenda for the 2024 December 12 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, 2024 November 14

Moved by Public Member Kim

That the Minutes of the 2024 November 14 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Shareholder Alignment Review of Wholly-Owned Subsidiaries Update, AC2024-1166

Moved by Public Member Kim

That pursuant to Sections 23 (Local public body confidences) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 9:38 a.m. in the Engineering Traditions Committee Room, to discuss confidential matters with respect to Item 7.1 Shareholder Alignment Review of Wholly-Owned Subsidiaries, AC2024-1166.

And further, that the following be authorized to attend the Closed Meeting with respect to Item 7.1: Harman Gill, Sanjeev Rajani, and Nicole Torgrimson, External Auditors (Deloitte LLP).

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

People in attendance during the Closed Meeting discussions with respect to Report AC2024-1166:

Clerks: S. Lancashire, A. Lennox, and J. Booth. Law: M. Tolfree, D. Mercer, and C. Kendrew. Advice: L. Tochor, K. Mustard, M. Perpeluk, M. Wood, K. Choi, S. Brandt, L. Ormsby, and C. Smillie. External: H. Gill and S. Rajani.

Committee reconvened in public meeting at 9:58 a.m. with Councillor Spencer in the Chair.

ROLL CALL

Councillor Walcott, Councillor Wyness, Public Member Kim, Public Member McGillivray, and Councillor Spencer

Absent from Roll Call: Public Member Naicker

Moved by Councillor Walcott

That Committee rise and report.

MOTION CARRIED

Moved by Public Member McGillivray

That with respect to Report AC2024-1166, the following be approved, **after amendment:**

That the Audit Committee recommend that Council:

1. Receive this report for the Corporate Record; and
2. Direct that Confidential Attachments 2 and 3, and the Closed Meeting discussions related to this report be held confidential pursuant to Sections 23 (Local public body confidences) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, **to be reviewed by 2026 December 31.**

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

7.2 Audit Committee 2025 Work Plan, AC2024-1277

Moved by Public Member Kim

That with respect to Report AC2024-1277, the following be approved:

That the Audit Committee:

1. Approve the Audit Committee's 2025 Work Plan (Attachment 1); and
2. Recommend that Council receive this report and attachment for the Corporate Record.

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

7.3 Accounts Receivable Data Analytics Continuous Auditing Project, AC2024-1287

Moved by Public Member McGillivray

That with respect to Report AC2024-1287, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

7.4 IT Disaster Recovery Audit, AC2024-1332

Moved by Councillor Walcott

That pursuant to Sections 20 (Disclosure harmful to law enforcement) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 10:17 a.m. in the Engineering Traditions Committee Room, to discuss confidential matters with respect to the following Items:

- 7.4 IT Disaster Recovery Audit, AC2024-1332
- 10.1.1 External Auditor (Verbal), AC2024-1347
- 10.1.2 Audit Forum (Verbal), AC2024-1348
- 10.1.3 City Auditor (Verbal), AC2024-1349

And further, that the following be authorized to attend the Closed Meeting with respect to Item 7.4: Harman Gill, Sanjeev Rajani, and Nicole Torgrimson, External Auditors (Deloitte LLP).

And further, that Committee suspend Section 78(2)(a) of the Procedure Bylaw to forego the lunch recess to complete the Agenda.

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

Committee reconvened in public meeting at 11:15 a.m. with Councillor Spencer in the Chair.

ROLL CALL

Councillor Walcott, Councillor Wyness, Public Member Kim, Public Member McGillivray, and Councillor Spencer

Absent from Roll Call: Public Member Naicker

Moved by Public Member McGillivray

That Committee rise and report.

MOTION CARRIED

People in attendance during the Closed Meeting discussions with respect to Report AC2024-1332:

Clerks: S. Lancashire, A. Lennox, and J. Booth. Advice: L. Tochor, K. Black, C. Arthurs, L. Ormsby, A. Cohen, L. Andrade, R. Visscher, J. Bradley, T. Andruschak, I. Bushell, V. Elliott, M. Feragen, and C. Smillie. External: H. Gill and S. Rajani.

Moved by Public Member Kim

That with respect to Report AC2024-1332, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record;
2. Recommend that Council receive this report for the Corporate Record; and
3. Recommend that the Confidential Attachment to Report AC2024-1332 and the Closed Meeting discussions be held confidential pursuant to Section 20 of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2039 December 12.

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

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

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 External Auditor (Verbal), AC2024-1347

No report given.

10.1.2 Audit Forum (Verbal), AC2024-1348

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2024-1348:

Clerks: S. Lancashire, A. Lennox, and J. Booth. Advice: L. Tochor, L. Ormsby, and C. Smillie.

Moved by Councillor Walcott

That with respect to Confidential Verbal Report AC2024-1348, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions be held confidential pursuant Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Spencer, Councillor Wyness, Councillor Walcott, Public Member Kim, and Public Member McGillivray

MOTION CARRIED

10.1.3 City Auditor (Verbal), AC2024-1349

No report given.

10.2 URGENT BUSINESS

None

11. BRIEFINGS

11.1 Status Update for Off-site Levy External Audit Recommendations, AC2024-1354

12. ADJOURNMENT

Moved by Public Member Kim

That this meeting adjourn at 11:17 a.m.

MOTION CARRIED

The following Items have been forwarded to the 2025 January 28 Regular Meeting of Council:

CONSENT AGENDA

- Shareholder Alignment Review of Wholly-Owned Subsidiaries Update, AC2024-1166
- Audit Committee 2025 Work Plan, AC2024-1277
- Accounts Receivable Data Analytics Continuous Auditing Project, AC2024-1287
- IT Disaster Recovery Audit, AC2024-1332

The next Regular Meeting of the Audit Committee is scheduled to be held on 2025 January 9 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

CITY CLERK

UNCONFIRMED



Chief Administrative Officer's Principal Corporate Risk Update – (Verbal) | Audit Committee

AC2025-0016

2025 January 09



Recommendation

That Audit Committee receive this presentation for information and the Corporate Record



The City's Risk Environment is Changing

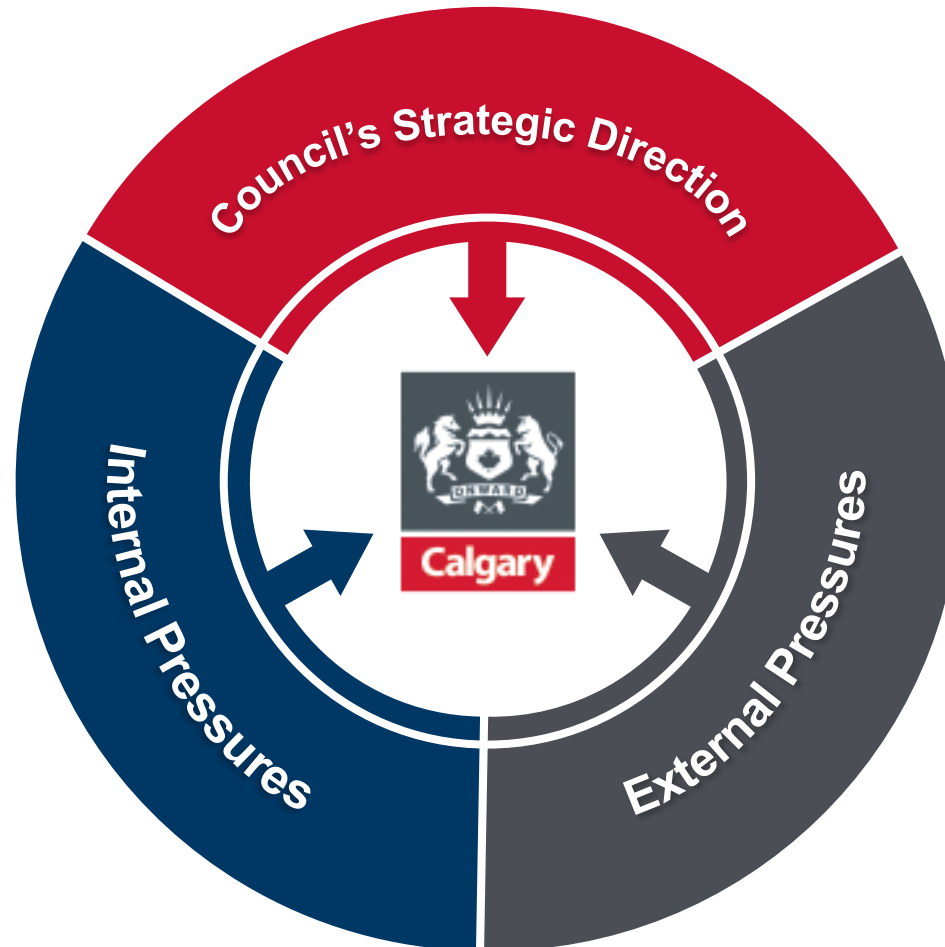
The City's is actively managing the risks in our current environment.

Internal Pressures

What is happening inside The City?

Examples

- Infrastructure
- Workforce



Council's Strategic Direction

Direction The City receives from Council

Examples

- Council priorities
- Investment decisions

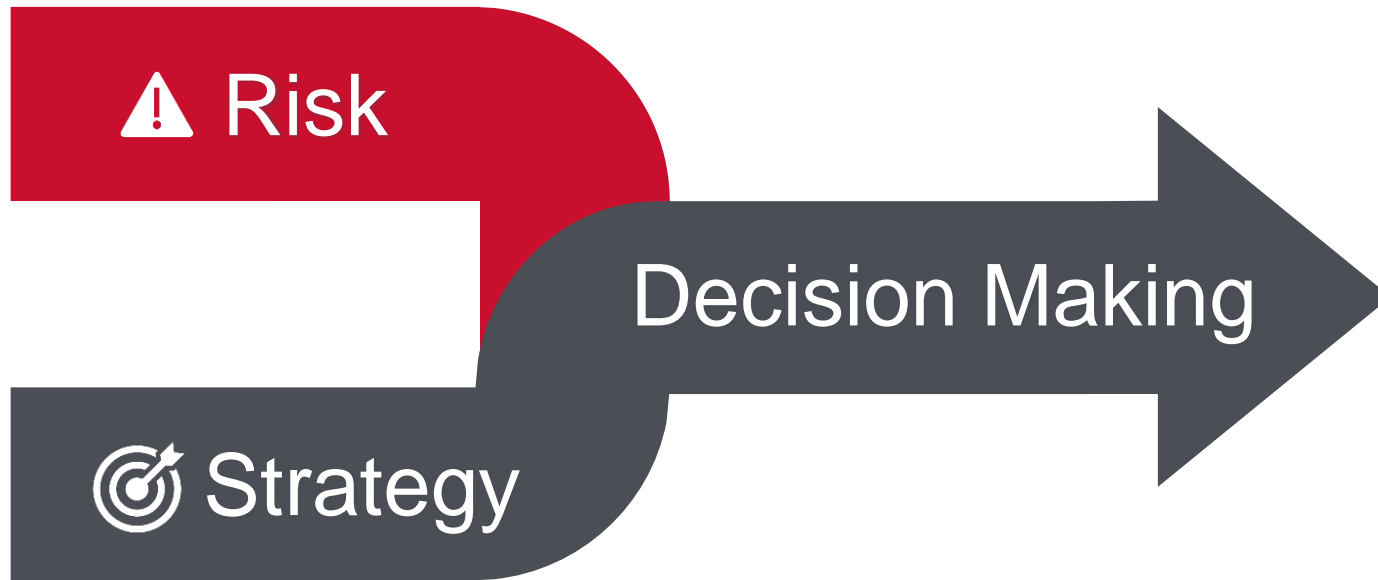
External Pressures

What is happening outside The City?

Examples

- Political
- Economic and Financial
- Cyber

Embracing Change, Managing Risk: Our Proactive Approach



Risk management is not a static practice; it is an integral part of our strategic decision-making process. We are committed to advancing our risk maturity and proactively integrating risk considerations into our strategic discussions, ensuring resilience in the face of Calgary's evolving risk landscape and the political uncertainties ahead

Recommendation

That Audit Committee receive this presentation for information and the Corporate Record



Corporate Planning & Financial Services Report to
Audit Committee
2025 January 09

ISC: UNRESTRICTED
AC2025-0002

2024 Year-End Principal Corporate Risk Report

PURPOSE

The purpose of this report is to provide an update on the current assessment of the risk environment facing The City and how it is impacting the Principal Corporate Risks (PCR). This report underscores the pivotal role of risk management as a management tool, strategically looking to the future context and fostering interconnected discussions to effectively manage strategic impacts.

PREVIOUS COUNCIL DIRECTION

The Audit Committee's 2025 Work Plan was approved by the Audit Committee on 2024 December 12. As a part of this Work Plan, the Audit Committee directed the Acting Chief Administrative Officer and the General Manager, Corporate Planning and Financial Services to provide the Year-End Principal Corporate Risk Report on 2025 January 9.

RECOMMENDATION(S):

The Audit Committee recommends:

1. That Council receive this report and presentation for information and the Corporate Record; and
2. That Attachments 4 and 5 and Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*; to be reviewed by 2030 January 31.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The Acting Chief Financial Officer and General Manager of Corporate Planning and Financial Services concurs with this report.

HIGHLIGHTS

- The City's risk profile is trending upwards, with mounting pressures and increased risks primarily driven by factors such as infrastructure challenges, political shifts, and regulatory changes since the 2024 Mid-Year Update. Of note, The City saw an increase in the Reputation Risk in the second half of 2024 from "High" to "Extensive."
- **What does this mean to Calgarians?** The City continues to focus on delivering services to Calgarians, while monitoring and managing risks to avoid undesirable impacts and capitalize on opportunities as they present themselves.
- **Why does this matter?** Understanding, assessing, and managing risk is critical to achieving Council's vision for Calgary – a great place to make a living, a great place to make a life.

2024 Year-End Principal Corporate Risk Report

DISCUSSION

The City's Risk Profile at Year-End 2024 (Attachment 2)

The City's risk profile continues to trend upwards, indicating mounting pressures and increased risks compared to the last risk update. This upward trend, driven by both external and internal pressures, highlights the critical importance of proactive risk management and informed decision-making. It is crucial for senior leadership to actively explore interdependencies between the Principal Corporate Risks (PCRs) – the top, most strategic risks facing the organization. A comprehensive understanding of how these PCRs interact allows for more effective risk mitigation and response. These PCRs have the potential to significantly impact the organization as a whole and affect our ability to meet our strategic objectives.

Key Risk Metrics (Attachment 3) and Confidential Key Risk Metrics (Confidential Attachment 4)

As part of our ongoing commitment to data-driven analysis, we have introduced Key Risk Metrics (KRM) into the Principal Corporate Risk (PCR) report. These KRMs play a crucial role in informed decision-making, monitoring strategic goals, and improving risk preparedness. In 2024, the ERM team collaborated with teams from each PCR to identify relevant KRMs that reflect critical aspects of each PCR.

Attachment 3 provides a list of public KRMs, while Confidential Attachment 4 offers information on confidential metrics. Demonstrating our commitment to transparency, 84 per cent (56 out of 67) of the KRMs are public, with only those that pose a significant risk to The City (primarily those related to technology and cybersecurity) being kept confidential. Our transparent approach aims to empower strategic decision-making through enhanced risk reporting.

Wholly Owned Subsidiaries Risk Summary (Confidential Attachment 5)

In line with our commitment to proactive risk management, we have enhanced our risk identification and assessment process. We now incorporate risk information from our Wholly Owned Subsidiaries (WOS) into our year-end reporting. This new process, implemented following a 2021 recommendation by Ernst & Young, involves annual risk submissions from each WOS. Our initial analysis, summarized in Confidential Attachment 5, is our attempt to understand the risks and we will build connections to The City's risk profile in the future editions of the report.

Enterprise Risk Management Program Update (Attachment 6)

Attachment 6 provides a comprehensive overview of the program's accomplishments, performance measures, challenges, and upcoming initiatives for 2025.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

We continue to seek opportunities to receive Calgarian's input by participating in various engagements.

2024 Year-End Principal Corporate Risk Report

IMPLICATIONS

Social

Calgarians' complex social needs are creating challenges for the City and our partners. Despite the City's efforts, subsidized housing applications and Calgary Community Food Map website visits have increased. While opioid-related EMS responses and mental health calls have decreased, the Social Wellbeing Risk remains high. The City is analyzing data, developing strategies, and strengthening partnerships to mitigate this risk while continuing to provide services and front-line response that support social wellbeing, particularly for Calgarians experiencing vulnerabilities.

Environmental

Climate and environmental concerns continue to be a top pressure facing The City. Progress has been made on implementing the Climate Strategy – Pathways to 2050; however, greenhouse gas emissions are not being reduced at the necessary rate, which poses increased risk to our economy, environment, people, and reputation. Sustainable growth is challenged by rapid population growth, straining resources, and infrastructure. These challenges offer opportunities. Developing green technologies can boost the Calgary economy while cutting emissions. Prioritizing equity ensures all Calgarians can access environmental and climate services.

Economic

The City faces pressures from economic volatility due to current macroeconomic conditions, including exposure to pressures related to inflation, cost fluctuations, and potential supply chain disruptions. Additionally, The City faces uncertainty due to its reliance on provincial and federal funding for capital projects. To mitigate these risks, The City is considering alternative funding and financing sources and advocating for increased government support for project funding.

Service and Financial Implications

No anticipated financial impact

\$0

RISK

The Year-End Principal Corporate Risk report provides an analysis and assessment of the risk environment in which The City operates. The information provided supports the Corporation in having fulsome discussions, making informed decisions, and responding appropriately with a strategic plan to ensure The City achieves desired results. If this is not achieved, The City would be less prepared to adapt to the downside of risk and be less able to capitalize on the upside of risk.

2024 Year-End Principal Corporate Risk Report

ATTACHMENT(S)

1. Background and Previous Council Direction
2. The City's Risk Profile at Year-End 2024
3. Public Key Risk Metrics
4. CONFIDENTIAL- Confidential Key Risk Metrics
5. CONFIDENTIAL- Wholly Owned Subsidiaries Risk Summary
6. Enterprise Risk Management Program Update
7. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor, Acting Chief Financial Officer and General Manager	Corporate Planning and Financial Services	Approve
Tim Doruch, Acting Director	Corporate Planning and Performance	Approve
David Duckworth, Chief Administrative Officer	Chief Administrator's Office	Inform
Stuart Dalgleish, Chief Operating Officer	Chief Operating Office	Inform
Chris Arthurs, General Manager	People, Innovation and Collaboration Services	Inform
Katie Black, General Manager	Community Services	Inform
Debra Hamilton, General Manager	Planning and Development Services	Inform
Jill Floen, City Solicitor	Law, Legislative Services and Security	Inform
Doug Morgan, General Manager	Operational Services	Inform
Michael Thompson, General Manager	Infrastructure Services	Inform

Author: Enterprise Risk Management Team, Corporate Planning and Performance

Background and Previous Council Direction

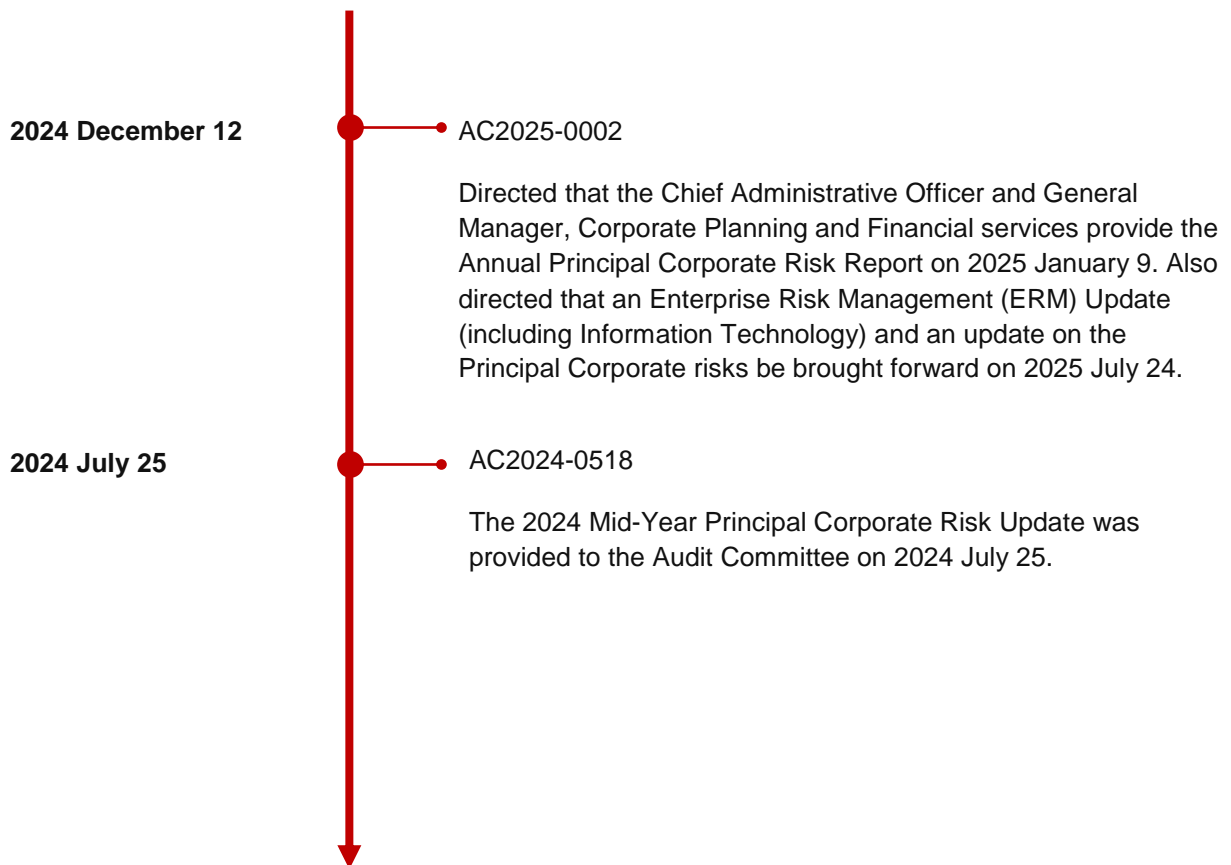
Background

In keeping with the Audit Committee's mandate for assisting Council in its oversight and stewardship responsibilities in relation to risk management, this report is the first of two scheduled 2025 reports providing the Audit Committee and Council with an update on the most strategic risks facing The City of Calgary.

Previous Council Direction

The Audit Committee's 2025 Work Plan was approved by the Audit Committee on 2024 December 12. As a part of this Work Plan, the Audit Committee directed the Chief Administrative Officer and the General Manager, Corporate Planning and Financial Services to provide the Annual Corporate Principal Risk Report on 2025 January 9.

Principal Corporate Risk Report Timeline



Bylaws, Regulations, Council Policies

Audit Committee Bylaw 33M2020

The mandate of the Audit Committee includes assisting Council in fulfilling its oversight and stewardship responsibilities by gaining and maintaining reasonable assurance in relation to risk management (Section 4(1)(ii)).

The Audit Committee is authorized to request reports from the City Manager on The City's Integrated Risk Management and corporate risks, at least twice a year (Section 5(c)(ii)).

The Audit Committee oversees The City's process of risk identification, analysis, and management procedures to mitigate risk (Schedule A, 4(b)).

Integrated Risk Management Council Policy (CC011)

On 2020 February 3, the updated Integrated Risk Management Policy was approved by Council (AC2020-0022). Council adopted the Policy to provide a more systematic and consistent approach to risk management at The City of Calgary.

The City’s Risk Profile at Year-End 2024

The City’s risk profile is trending upwards indicating mounting pressures and increased risks compared to the last risk update. This highlights the importance of proactive risk management and informed decision-making to navigate the changing landscape.

Understanding this upward trend is crucial for strategic decision-making, especially as senior leadership considers the top risks to the organization and explores interdependencies between the Principal Corporate Risks (PCRs). Given the interconnected nature of these risks, a proactive and strategic approach to risk management is essential. This includes exploring risk response strategies that highlight cross-corporate efforts and can affect multiple PCRs.

By exploring the PCRs collectively, we can better position ourselves to take on the optimal amount of risk, where opportunities are pursued, undesirable outcomes are avoided or minimized, and upside risk is explored.

This update includes an integrated view of The City’s top risks, including any changes in the ratings, as well as risk-specific information and the results of the Year-End 2024 cross-corporate risk review.

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PART 1: ENVIRONMENTAL SCAN

The Enterprise Risk Management (ERM) team has identified the top pressures to the organization that can result in:

- a) Ongoing or chronic strain on the organization and may serve as a catalyst to revise risk response strategies.
- b) Increase the likelihood or severity of an acute risk event.

These are divided into external and internal pressures to better represent the type and source of the pressure being exerted on the organization. In practice there is frequent overlap and interconnections between the pressures listed below. By taking a wholistic look at the pressures, we can better monitor and manage the pressures and challenges that affect The City’s risks. Further, by identifying and addressing pressures, we are better able to avoid undesirable impacts and capitalize on opportunities as they present themselves while continuing to focus on delivering services to Calgarians.

<i>External Pressure</i>	<i>About</i>
<i>Political</i>	<p>Changing regulations and legislation can affect The City’s operations and financial sustainability as seen with the changes to Local Access Fee (LAF) funding this year and our ability to work together with other orders of government on major capital projects. There remains uncertainty and risk related to future changes in policy from other orders of government as well.</p> <p>This pressure is exasperated by periods of heightened polarization within political discourse, which can result in The City experiencing increased strain on intergovernmental relations and community engagement.</p>
<i>Economic and Financial</i>	<p>Currently the indicators suggest this area’s risk trends are stabilizing. However there remains some uncertainty and potential volatility.</p> <p>The City of Calgary’s “Calgary and Region Economic Outlook 2024-2029” flags some key areas that could affect The City’s risk profile and highlights that The City faces unique economic pressures. While strong economic growth is positive, record migration is contributing to both labor market challenges and higher-than-average inflation (3.3% in Calgary compared to 2.0% nationally). This inflationary pressure, driven by increased demand for goods and services, could impact on the City’s operational costs and affordability for residents.</p>
<i>Cyber</i>	<p>Cyber security continues to be a large risk exposure to The City. One example of this is the City of Calgary’s library cyber breach and the service interruptions that resulted in.</p> <p>Artificial intelligence (AI) as a pressure can serve as a catalyst for both positive and negative risk to the organization, including The City’s exposure to cyber risk. Moreover, as AI becomes more integrated into the workplace, individuals will have the opportunity to adapt their roles. The City must proactively address workforce training and necessary adjustments to cope with this increasing pressure.</p>

<i>Internal Pressure</i>	<i>About</i>
<i>Infrastructure</i>	<p>To ensure the City's long-term sustainability, we must proactively address the challenges posed by aging infrastructure. Recent events, such as the critical feedermain break, highlight the potential for service disruptions and increased costs associated with deteriorating assets. Furthermore, uncertainty surrounding the Green Line and external funding sources adds complexity to our infrastructure planning.</p> <p>The City is taking a strategic approach to balance the needs of the organization between maintenance and growth for our infrastructure amidst uncertainty around grants and funding from other orders of government.</p>
<i>Workforce</i>	<p>Services indicated acute pressures in certain areas when it comes to risks related to staff. Some areas are experiencing high levels of turnover and indications of burnout. Many services highlight challenges related to insufficient workforce capacity, labour shortages, competing priorities, change fatigue, and capacity constraints impacting service delivery and project completion.</p>

PART 2: THE CITY'S RISK PROFILE OVERVIEW

Figure 1 below presents the rating of each of the nine PCRs, as made up by their likelihood and potential impact.

Figure 1: The City's Principal Corporate Risk Ratings

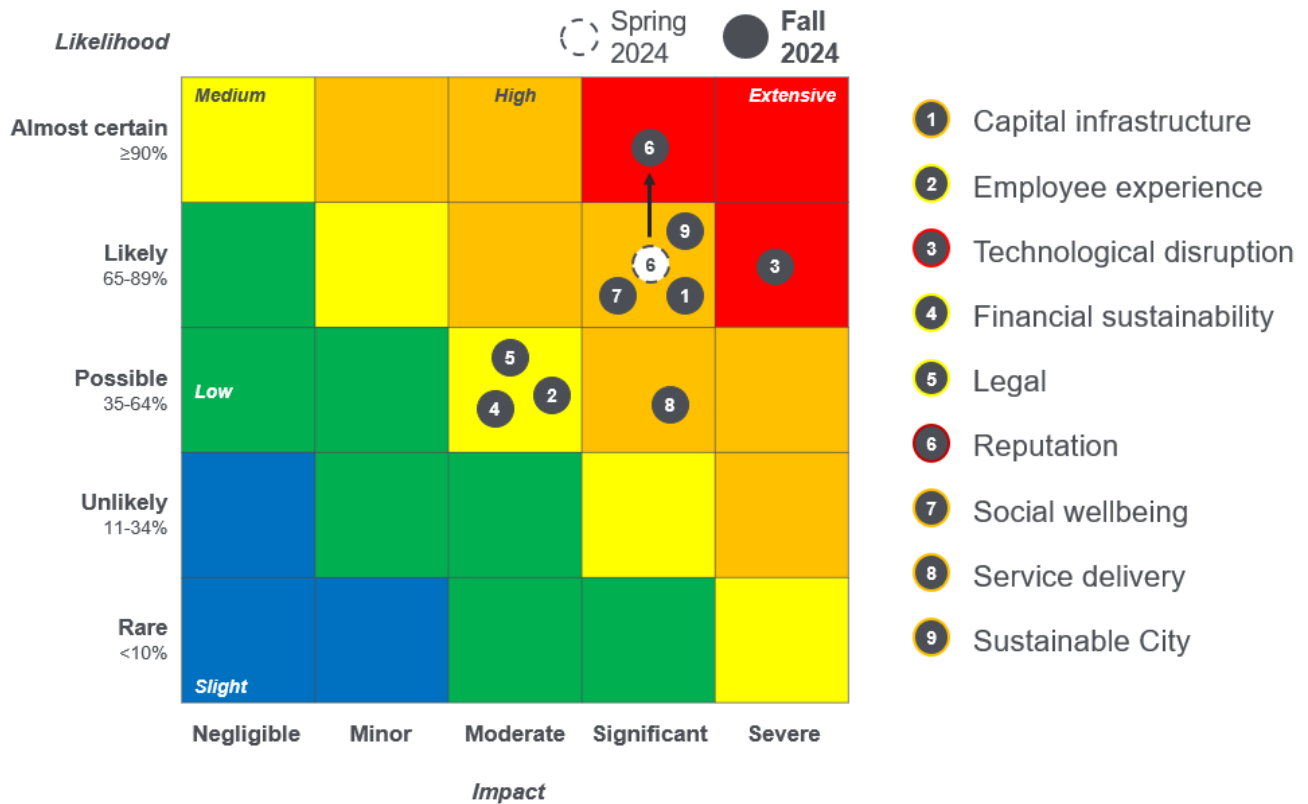














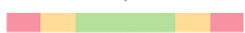



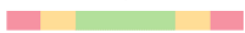



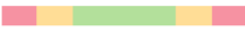



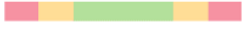





















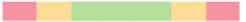
Figure 2: Principal Corporate Risks Dashboard as of 2024 December 9

Principal Corporate Risk	Residual Risk Rating (June 2024)	Current - Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance/ Appetite	Target Residual Risk Rating (3 years)
Capital Infrastructure Risk			On Track	↑	Monitor 	
Employee Experience Risk			On Track	↑	Monitor 	
Technological Disruption Risk			On Track	↑	Monitor 	
Financial Sustainability Risk			On Track	→	Maintain 	
Legal Risk			On Track	→	Maintain 	
Reputation Risk			In Development	↑	Reduce 	
Social Wellbeing Risk			On Track	↑	Monitor 	
Service Delivery Risk			In Progress	↑	Monitor 	
Sustainable City Risk			In Development	→	Monitor 	
Legend	<ul style="list-style-type: none">  Slight  Low  Medium  High  Extensive 		<p>On Track - All risk responses are on track.</p> <p>In Progress - Some risk responses are delayed</p> <p>In Development - Risk responses are under development</p>	<p>↓ Decreasing</p> <p>→ Stable</p> <p>↑ Increasing</p>	<p>Maintain - within risk appetite</p> <p>Monitor - within risk tolerance</p> <p>Reduce - above risk appetite and tolerance</p> <p>Full definitions in Appendix 2</p>	<ul style="list-style-type: none">  Slight  Low  Medium  High  Extensive

Notes:

- The dashboard was populated from information collected from a variety of sources: The year-end Corporate Risk Review process, a review of The City's response strategies, and from other risk reporting at The City. The year end Corporate Risk Review is itself informed by the service risk registers, Corporate Operating Risks, and PCR specific updates.
- Risk definitions are tabulated in [Appendix 1](#).
- The residual risk ratings trend is available in [Appendix 3](#) for reference.

PART 3: THE PRINCIPAL CORPORATE RISKS (ALPHABETICAL LISTING)

Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Capital Infrastructure Risk GM, Infrastructure Services	■	■	On Track	↑	Monitor 	■

Risk Rating

The risk rating (High) and risk trend (Increasing) and remains unchanged from 2024 June.

Uncertainties related to capital infrastructure, supply chain, and procuring contracts.

Calgary is one of the fastest growing cities in Canada with a population of more than 1.4 million people as of 2024 April. This explosive population growth, coupled with financial constraints driven by trends such as the tightening of funds from other orders of government and inflation, are putting an increasing strain on The City’s ability to deliver critical infrastructure services for Calgarians.

The infrastructure gap – which is the difference between the infrastructure investment needed to meet service levels as well as mitigate risk, and the financial resources available to address those needs – keeps growing. Our critical assets are aging and deteriorating as some of them begin to reach the end of their useful life. For instance, the current assessed condition of Calgary’s road network (approximately 17,000 lane kilometers) is 38 per cent good, 36 per cent fair, and 26 per cent poor. At the current annual investment of \$40M, the road network will continue to degrade. Instances such as this have raised fresh concerns around the state of the City’s infrastructure and the resilience of its assets.

The City continues to experience capital cost escalation on several infrastructure projects. Services continue to request relief from the Capital Cost Escalation Fund that was approved by Council in 2023 November. However, with over \$400 million worth of requests to the fund, not all requests can be funded.

Supply chain disruptions and labour shortages are other notable pressures impacting The City. Together these contribute to the risk of unplanned service interruptions, facility shutdowns, and/or other impacts to the organization such as financial and reputational.

The City actively monitors capital infrastructure risks, develops mitigation plans, and implements measures to proactively reduce systemic risk. This proactive approach aims to maintain service delivery and avoid increasing future capital costs.

Strategic Insights from Key Risk Metrics

Vacancy rates in construction and infrastructure services and non-residential building construction price inflation remain relatively high, however, they are trending downward and have declined since the Mid-Year Principal Corporate Risk report. Also of note, The City’s infrastructure gap continues to grow from the \$7.2 billion referenced in 2022 and assets continue to deteriorate, additional details will be available in 2025 through the Infrastructure Status Report (ISR).



Refer to Attachment 3: Key Risk Metrics for more information.

Risk Response

Current

- Advocating for an increase to the contributions to the Capital Cost Escalation Fund through the Mid-Cycle Adjustments to combat cost escalation.
- Pursuing capital funding from multiple sources.
- Proactively monitoring capital and reserves to mitigate capital funding and financing risk.
- Allocating contingency funds to projects to address unforeseen challenges that may arise during project development or delivery.
- Updating the Infrastructure Status report (ISR) and Corporate Asset Management Plan (CAMP)
- Establishing a recommended level of service for critical services/assets such as roadways.
- Asset lifecycle planning and prioritization to balance lifecycle maintenance with growth in capital investment programs.
- Developing plans to advance and improve asset management analysis and reporting, targeting better predictability of rehabilitation timing and requirements.
- Progressive deployment of the Corporate Supply Chain Resilience (SCR) Strategy to guide procurement operations.
- Implementing procurement planning and contracting strategies to best share risks and mitigation activities between The City and contractors.
- Maintaining regular dialogue with consultants, contractors, and industry organizations to build a common understanding of labour challenges and identify potential mitigation measures.
- Sequencing projects to create a consistent and steady flow of work for consultants and contractors.

Upcoming

- Develop an infrastructure and service delivery investment strategy that mitigates the risks associated with the infrastructure funding gap.
- Establish clear and precise definitions for “Poor” and “Critical” physical condition ratings to guide decisions on infrastructure repair and replacement.
- To mitigate debt-related risks to capital infrastructure, The City will modernize its debt management framework through a comprehensive review and update of existing policies, prioritizing prudent debt limits, efficient issuance processes, and effective debt management strategies.
- The Corporate Budget Office will monitor the impacts of the provincial fiscal changes on our allocation of the funding from the local government fiscal framework on an ongoing basis.
- Increase advocacy for provincial government investment in training and apprenticeship programs to increase the number of new entrants to the construction industry.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Employee Experience Risk GM, People, Innovation & Collaboration Services	■	■	On Track	↑	Monitor 	■

Risk Rating

The risk rating (Medium) and risk trend (Increasing) and remains unchanged from 2024 June.

Uncertainty related to recruitment, retention, safety, and engagement.

Employee experience is a multifaceted risk which requires a cross-organization approach across a multitude of fronts. Key factors related to this risk are:

- Hiring and retention of specialized positions is challenging, potentially adding pressure to this risk.
- Employees are managing internal and external demands including increasing pace of change.
- External factors, including public safety and affordability crises, housing shortages, social disorder, social wellbeing challenges, hate toward equity deserving groups, and international conflicts may impact employee health, safety, and wellness.
- Employees may face psychological challenges due to (and not limited to) racial trauma, racial discrimination and systemic racism which may affect their psychological health.

The Employee Experience Risk was the second most frequently mentioned PCR in Services Risk Registers. Some services identified emerging risks and pressures related to this risk such as: evolving expectations, capacity constraints and workload stress, an increased risk of burn out, potential for fatigue and psychological trauma as well as an increasing trend in employee illness and physical injury. Finally, services also noted risks related to public hostility and violence in Calgary which may in turn increase the likelihood of aggressive behaviours towards City staff.

Responding to this risk includes, though is not limited to, actively tracking hard to hire/retain positions, offering training, education and support on key aspects of employee experience; fostering a physically and psychologically safe work place, supporting employees who are exposed to increased frequency and severity of harmful comments, online and reported by traditional media, and ensuring we learn from and address the trauma experienced by racialized staff both as employees and members of the community.

Strategic Insights from Key Risk Metrics

The City continues to demonstrate a commitment to safety and employee well-being. The Total Recordable Injury Frequency (TRIF) increased slightly to 8.8 (as of 2024 October) from 8.5 (2023) and 8.3 (2022). However, this metric remains favorable compared to the year-end target of 9.0. The City's core 12-month retention rate is relatively high at approximately 88 per cent, but slightly lower than the 92 per cent in at Mid-Year.

Note that many of the key risk metrics for Employee Experience are updated annually or are part of the bi-annual employee survey (no additional updates are provided at this time); that said The City will



continue to focus on the flagged areas of improvement some of these include focusing on: safety incident discussions, training, addressing inappropriate behavior, as well as seeking opportunities to improve recognition and reward for employees.

Refer to Attachment 3: Key Risk Metrics for more information and Confidential Attachment 4 (for confidential Key Risk Metrics).

Risk Response

Current

- Providing education, training and support on restorative workplace practices, human rights, vicarious trauma, psychological safety and other key areas of the employee experience.
- Addressing employee injuries, sickness, productivity losses and costs due to working injury and absenteeism to improve the employee experience and the safety culture.
- Implementing the Equity, Diversity, Inclusion & Belonging Framework & Strategy.
- Training and providing support to employees that may receive hateful content (Social Media, Research, Public Engagement) and developing processes to accurately reflect public discourse without amplifying hate speech.
- Developing recommendations that create racially responsive safe spaces to decrease the impacts of racial trauma and developing a safety plan that supports Indigenous, Black, and diverse Racialized staff who have lived and living experiences with racial trauma.
- Continued focus on Employer of Choice initiatives.
- Implementing corporate flexible work model to accommodate different workstyles (anchored, mobile, remote).
- Use of innovative recruitment channels, including leveraging partnerships to attract talent.

Upcoming

- Refresh the Employee Value Proposition and other strategic tools to remain competitive in the job market for hard to retain and hire positions.
- Communicating the results of, and recommend actions in response to, the Corporate Employee and Speaking Up surveys to leverage insights on how to improve the employee experience at The City.
- Developing and educating employees on racially responsive safe spaces within the organization to mitigate and manage the impact of racial trauma.
- Creating a set of strategies and actions aimed at reducing and preventing hate-based behaviors, attitudes, and incidents within the community and our organization.
- Enhance racially responsive mental health support by continuing to work with our Employee & Family Assistance Program (EFAP) provider to advocate for increased racially informed services for Indigenous, Black and diverse Racialized employees.
- Human Resources policies such as Code of Conduct, Respectful Workplace and Restorative Workplace are in place to support any incidences.
- Occupational Health and Safety is piloting safety measures within the anti-racism team that align with anti-racism principles.
- Improving the Safety Management System to support employees and leaders to report and respond to safety risks and occurrences more fulsomely.
- Multiple capital projects to improve the physical security of our workplaces.
- Renewed focus on evaluating our security training and awareness to ensure that employees can equip themselves with the tools they need to handle emerging workplace challenges.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (July 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Technological Disruption Risk GM, People, Innovation & Collaboration Services	■	■	On Track	↑	Monitor 	■

Risk Rating

The risk rating (Extensive) and risk trend (Increasing) remains unchanged from 2024 July.

Uncertainty related to cyber-attacks and technology availability and operations.

The technology sector is a highly competitive job market which makes hiring and retention of key positions in this area challenging, potentially exacerbating The City’s technology risks. Meanwhile the complexity of work has increased as the global sophistication, severity and frequency of cyber attacks and other technological disruption increases at an exponential rate.

While strategies and resources are in place to protect infrastructure and educate employees, cyber threats change rapidly. A single click on a malicious link can introduce disruption to operations by negatively impacting our technology environment. The City is continuing to focus on managing risk exposure related to loss of City data and information. This is complicated by the fact that legacy technology remaining in the environment increases cyber security and business continuity risks as applications can no longer be updated or supported.

Service Risk Registers indicate challenges exist with city areas installing unapproved applications that may pose increased risk for security breaches. They also mention that The City’s ability to keep up with the speed and magnitude of changes in technology and software, leading to increased costs and outdated systems. Further, shifting corporate priorities can delay The City’s workplans and pose risks to technology projects.

The City’s response to technological disruption requires a cross-organizational approach including monitoring, detection, avoidance and mitigation of potential risks. With business units’ increased demand for customized and interconnected systems, education of employees on the importance of regular upgrades and avoiding inadvertently introducing risk will support proactive detection and mitigation of risks.

Strategic Insights from Key Risk Metrics

Calgary’s cybersecurity landscape continues to present both challenges and opportunities. Since the spring of 2024, IT has noted increases in City of Calgary rate of clicking on malicious links compared to peers, number of confirmed information security incidents, as well as low completion rate for cyber awareness training completion rates. These metrics highlight the need for continued efforts at The City protect against cyber security attacks and to improve staff vigilance against malicious actors and mitigate unauthorized access risks. The City’s IT Business Unit continues to take active measures in addressing cybersecurity risks, efforts taken to date now reap the benefits as IT is able to protect against potential threats with email messages; and remote users are now using multi-factor authentication when connecting to The City network.

Refer to Confidential Attachment 4: Confidential Key Risk Metrics for more information.

Risk Response

Current

- Tracking, analyzing and mitigating cyber threats.
- Completing cyber security updates on devices, including reminders to City employees who have not completed updates to increase compliance.
- Cyber security training to increase employee understanding and compliance with best practices.
- Environmental scans to identify vulnerabilities and post-incident lessons learned to review and address gaps for future response to incidents.
- Conducted industry research and consulted with partners to develop a strategy for effective cyber security operations.

Upcoming

- Continue tracking, analyzing, and mitigating cyber threats.
- Continuously initiate cyber security updates on devices, including reminders to City employees who have not completed updates to increase compliance.
- Deliver cyber security training to increase employees' understanding and compliance with best practices.
- Cyber Security Operations is implementing a modernization program to reduce our vulnerability to cyber attacks.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Financial Sustainability Risk GM, Corporate Planning & Financial Services	■	■	On Track	→	Maintain 	■
<p>Risk Rating</p> <p>The risk rating (Medium) and risk trend (Stable) and remains unchanged from 2024 June.</p> <p>Uncertainty related to managing the organization's finances</p> <p>At the time of writing, it is Administration’s recommendation that all Green Line related municipal funding commitments are preserved until the outcome of the review by the Government of Alberta and approval of any subsequent project by Calgary City Council.</p> <p>The property tax remains a stable source of revenue, with approval of 2023-2026 property tax increases slightly below population growth and inflation. The City of Calgary presented its recommended mid-cycle adjustments to City Council in 2024 November, which represents the two-year mark of the four-year service plan and budget that was approved in 2022 November.</p> <p>The current debt forecast for the major capital projects indicates that the debt will peak in 2029. The City’s financing constraints are subject to significant internal pressures such as the timing of Green Line debt as well as external pressures.</p> <p>In addition, The City faces risk pressure from economic volatility due to current macroeconomic conditions, including exposure to pressures related to inflation, cost fluctuations, the ability to procure materials in a timely fashion.</p> <p>Strategic Insights from Key Risk Metrics</p> <ul style="list-style-type: none"> • Calgary’s inflation increased to 3.3 per cent (year over year) and is up from 2.1 per cent in 2024 September. This rise from September’s reading was primarily driven by utility costs. • The recent Calgary Economic Region statistics on labour force grew by 3.2 per cent (year over year), while employment increased at a slower rate at 1.6 per cent. The unemployment rate in Calgary is at 7.4 per cent, slightly lower than the 7.9 per cent reported in the spring. • Recent numbers on taxable property accounts provided by assessment also indicate an increase of 2.2 per cent in residential property accounts from 2024. • The City’s debt limits are anticipated to range between 40 to 50 per cent. However, factors such as the timing of Green Line or changes in capital project forecasts could impact these margins. <p>In summary, The City continues to monitor inflation and actively manage our debt limits while fostering employment growth ensuring Calgary's long-term financial sustainability.</p> <p>Refer to Attachment 3: Key Risk Metrics for more information.</p>						



Risk Response

Current

- The City's approach to financial sustainability and resilience is described in the 2021-2032 Long Range Financial Plan (LRFP).
- LRFP strategies and tactics there are used in Administration's preparation of both the four-year service plan and budget, and annual adjustments. In the past five years, The City has limited operating expenditures resulting in expenditure growth that is less than population and inflation growth.
- An update to the LRFP is being planned in advance of the next Service Plan & Budget cycle of 2027-2030.

Upcoming

We will continue to work on the following financial management tactics:

- Exploring additional revenue opportunities.
- Leveraging unfilled vacancies to sustain financial capacity.
- Using reserves where prudent.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Legal Risk City Solicitor & General Counsel	■	■	On Track	→	Maintain 	■

Risk Rating

The risk rating (Medium) and risk trend (Stable) and remains unchanged from 2024 June.

Legal Risk Environment

The current political, and societal landscape continues to generate new and more complex business and legal issues facing the corporation. It is necessary to ensure the appropriate resources are in place to effectively identify, respond to and manage these risks.

There is a continued increase in volume, velocity, and complexity of business and legal issues, requiring individuals across the Corporation with appropriate expertise to identify matters of concern, identify when to involve supporting services (such as Legal Services) and lead the matter to resolution. Complex and high-risk matters are often escalated to Legal Services in the ordinary course, allowing for proactive advice that supports intentional and informed decision making; however, some are not, and legal risk emerges unintentionally, creating varying degrees of legal, financial and reputational risk.

Services have also flagged recent legislative and regulatory changes. These changes could result in financial, reputational, or operational impacts to the organization.

Strategic Insights from Key Risk Metrics

Due to the complex and dynamic nature of the legal risks facing The City, no key risk metrics are ready to be shared at this time. The legal team is currently in the process of updating their systems to help capture metrics. The ERM team will continue to work with the legal team to include this information into our risk reporting when it is available.

Risk Response

Current

- Continuing to communicate, inform and interact with customers about the importance of engaging Legal Services early and often.
- Utilizing technology to develop transparency and reporting of legal activity.
- Exploring, implementing, and managing technology-based solutions for legal instructions, legal efficiency and customer self-service (e.g., e-signatures).
- Supporting a high performing corporate team that understands risk-based decision making within corporate risk tolerance.

Upcoming

- Continue to work with ERM team to define legal risk appetite at organization wide level.
- Prioritizing and focusing legal resources on risk management activities.



- Assess legal risk using a robust framework informed by data and scenario planning to ensure legal risk is being managed within corporate risk tolerance.
- Law continues to build strong cross corporate relationships, improve overall risk understanding and align approach.
- Continued attendance and involvement of City Solicitor & General Counsel and members of Legal Services in governance/decision making meetings (Council, ELT, SMT, CMT).
- Law continues to review data to identify trends and drivers around legal risk and analyze potential mitigation strategies.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Reputation Risk Chief Administrative Officer			In Development	↑	Reduce 	
<p>Risk Rating</p> <p>The risk rating (Extensive) has shifted from 2024 June (High), whereas the risk trend (Increasing) remains unchanged from 2024 June.</p> <p>Uncertainty related to community and public relations.</p> <p>Every service, whether public facing or supporting the organization has a critical role in advancing and protecting The City’s reputation. Accordingly, Administration continues its objective of improving The City’s reputation as an employer by focusing on employee engagement and implementing a variety of “employer of choice” initiatives to improve engagement, satisfaction, and ultimately morale. The most recent employee engagement survey highlights the effectiveness of this approach, as the current score is the highest since the inception of this performance measure over ten years ago.</p> <p>Research suggests that what residents and businesses want is to trust they will get value from their local government. The perception of value and the establishment of trust are linked, which in turn contributes to how reputation is perceived. While declining results from survey to survey are within statistical margins of error, the long-term trend suggests that more Calgarians perceive that The City is not delivering adequate value for their tax dollars. This metric is being actively addressed by many of the current and future risk management strategies listed in this report.</p> <p>The City’s credit rating continues to be AA+, the strongest credit rating for a municipality in Alberta. This speaks to The City’s reputation as a financial steward and its ability to manage cash flow, debt, and preparedness for unexpected expenses.</p> <p>Strategic Insights from Key Risk Metrics</p> <p>Based on the 2024 Fall Survey of Calgarians, 41 per cent of residents expressed trust in The City. Research suggests that perception of value is closely linked to trust and that trust moves in the same direction as perceptions of value. Recent survey reports 53 per cent as compared to the 5-year average of 72 per cent. This shift in perception suggests that Calgarians are expecting more from their municipal government, including addressing issues with respect to taxes, infrastructure, affordability, and the delivery of core services.</p> <p>Refer to Attachment 3: Key Risk Metrics for more information.</p> <p>Risk Response</p> <p>Current</p> <ul style="list-style-type: none"> Administration continues to focus on supporting businesses through the ongoing work of the Business and Local Economy group. Enabling entrepreneurs and investors to start, grow, and 						







expand business will help build reputation and trust with businesses and residents across Calgary.

- Administration continues to deliver strategic and proactive communications that focuses on providing important information that reaches a broader audience and sharing progress towards service investments through new communication tools and investments.
- Administration continues its advocacy with key external partners including other orders of government to advance The City's priorities and facilitate inter-municipal collaboration with civic partners, businesses and community leaders, Administration will also work with leaders in the greater Calgary region to promote regional priorities and leverage opportunities where appropriate.
- Continue to inspire a commitment to public service by improving employee satisfaction and engagement and continue to enable a safe and healthy workplace and culture that supports diversity, equity, and inclusion. Initiatives include advancing the anti-racism strategy, providing leaders at all levels appropriate development opportunities, and promoting positive employee experiences.
- Executive Leadership continues its work with the Anti-Racism Team to evolve public education and communication practices with the goal of promoting diversity, inclusion, and equity in accordance with the Anti-Racism Strategy and Action Plan.
- Finally, Administration remains focused on public engagement with Calgarians, businesses, key partners, and employees to better understand their problems, issues and challenges and how they impact key drivers of trust.

Upcoming

- Administration will continue to focus on issues of greatest concern with Calgarians, particularly perceptions of infrastructure, affordable housing, public safety, and the delivery of core City services. In addition, many Calgarians are indicating challenges related to the rising cost of living. Seniors and individuals living on a fixed income are particularly hard hit. To address these challenges and to build social resilience Administration will continue to work closely with Council, other local organizations and other orders of government to support affordable housing, poverty reduction, food insecurity, addiction, and mental health challenges.

Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Social Wellbeing Risk GM, Community Services			On Track	↑	Monitor 	

Risk Rating

The risk rating (High) and risk trend (Increasing) remains unchanged from 2024 July.

Uncertainty related to social inequity and social programs.

The complexity and magnitude of Calgarians' social needs are impacted by changes in various social and economic factors which can negatively impact social wellbeing, along with the capacity and effectiveness of both The City and our partners in responding.

One key trend highlight is the number of applications for subsidized housing in Q2 2024 which went up by 186 over the previous quarter. The monthly number of visits to the Calgary Community Food Map website continued to increase, with over 36,000 visits to the site in 2024 September. This demonstrates that affordability continues to exert pressure on The City's Wellbeing Risk.

When it comes to public safety, there were almost 1,400 downtown safety responses in the month of 2024 August. This represents a 39 per cent decrease over the same month in 2023. Meanwhile as of the end of September, there were almost 1,200 EMS responses for 2024 to date in the city related to opioid events, down about half in comparison to the same period the previous year. Mental health and substance use issues remain a significant concern for citizens, as evidenced by the more than 2,100 related calls to the Distress Centre's 211 support line during Q2 2024. However, there has been a decline in these calls throughout each quarter in 2024. While these trends are moving in a promising direction, The City will continue to monitor and respond to these pressures.

Services have also indicated risks related to community safety, in particular increases in structural fires, security incidents, and the need to balance access to City services with perceived safety concerns of Calgarians and City staff. Other challenges noted relate to partnership risks such as political and social polarization of Calgarians impacting service expectations, and non-profits and social organizations struggling to meet increasing service demands which in turn impact The City's ability to sustain effective community partnerships.

The City continues to monitor and analyze data and trends related to wellbeing and safety; to develop, implement and invest in strategies that focus on prevention and improving social conditions impacting quality of life, access to opportunities, and inclusion in society; and to provide services and front-line response that support Calgarians' social wellbeing, in particular for those experiencing vulnerabilities.

Strategic Insights from Key Risk Metrics

Noted pressures were related to social challenges, including social disorder, food and housing insecurity, increase in vulnerable populations and mental health and substance abuse. Meanwhile, Calgary faces a complex set of social challenges exacerbated by rapid population growth (the 2024 increase of approximately 69,000 residents marks one of the most significant annual population increases in Calgary's history) and economic pressures (e.g. the Calgary Economic Region's (CER) three-month moving average unemployment rate for August 2024 was 7.4%, an increase of 1.4%



compared to the same reporting period last year). Addressing these challenges requires an integrated approach that considers the interplay between population growth, inflation, unemployment, and the needs of vulnerable populations. Investing in social programs, affordable housing initiatives, and mental health support, while promoting economic growth and job creation, will be crucial for building a resilient and inclusive city.

Refer to Attachment 3: Key Risk Metrics for more information.

Risk Response

Current

Highlights include:

- Coordinating community safety and wellbeing services across the Corporation to ensure we are working toward common outcomes, developing long-term strategies to focus efforts on social development and prevention programming, strengthening relationships with community partners, and advocating to other orders of government for support in addressing complex social needs.
- Creating a Joint Management Team comprised of almost 40 subject matter experts from Calgary Police Services and across Administration, to coordinate operational response plans, communication tactics, and outreach opportunities related to safety in public spaces.
- Advancing the Downtown Safety Leadership Table's 28 recommendations, with 2 of the recommendations completed and 11 on track to be completed by end of year (the 2 completed are the establishment of a Community Court and supporting increased utilization of provincial specialty courts). A public progress tracker is now live which highlights how the work is advancing on all 28 recommendations.
- Continuing to implement the Public Transit Safety Strategy – focusing on an integrated response model with Calgary Police Service, connecting vulnerable Calgarians to community resources, supporting staff well-being, improving system modernization, and enhancing station infrastructure.
- Continuing work on The City's Housing Strategy's 98 actions. Establishing a new Chief Housing Officer role to support The City in being transparent and accountable for affordable housing. The Housing Capital Initiative was launched, a \$60M initiative to support housing partners in leveraging City funds to deliver more affordable homes to Calgarians. Continuing to advocate to the province to address underfunded maintenance and lifecycle costs for City-owned social housing.
- Continuing to offer the Fair Entry program to provide subsidized City programs and services and advocating to the province to increase funding for the Low Income Transit Pass.
- Continuing to offer Crisis Intervention Specialists to support Calgarians who present to The City in crisis with connection to appropriate resources and services, and to deliver social programs and supports that contribute to social wellbeing, reducing barriers to participation in civic life.
- Improving our organizational understanding and removing barriers to programs and services through the work of our Anti-Racism team, Indigenous Relations Office, and Equity program. Online training and a survey have been issued to employees to help further strengthen this work, along with the initiation of a project to develop an organization-wide view of how The City is advancing desired results for Equity, Truth and Reconciliation.
- Maintaining a focus on strengthening community and non-profit sector capacity to support social wellbeing for all Calgarians through: building and maintaining relationships, facilitating collaboration amongst partners, making strategic investments, sharing data and information, supporting advocacy efforts, and undertaking ongoing engagement to understand partners' needs and capacity constraints.
- Strengthening The City's ability to effectively manage and respond to climate events, emergencies, and disasters. This includes increasing awareness of local hazards, preparation for emergencies, coordination of agency response and recovery activities. The Emergency Operations Centre was

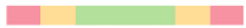
activated for over 55 days in support of the water feeder main emergency and the Jasper wildfire, providing centralized communications, planning support and coordination to operational services.

- Responding to the increasing demand for frontline workers to address complex social needs by developing recruitment and retention strategies and training resources to support employees.

Upcoming

- Continue to build and maintain strong relationships across the organization and with partners so that social and safety issues can be collaboratively addressed.
- Consider ways to benchmark and contextualize Calgary's experience in the area of social wellbeing (e.g., learning and comparisons with other cities, etc.) that will further promote social equity and highlight the importance of social wellbeing.
- Continue to advance the maturity of The City's learning and commitment to embed Equity, Truth and Reconciliation, and Anti-Racism into The City's services, investment decisions, and organizational culture.
- Further advance advocacy strategies for additional and sustained funding from other orders of government for social programs, costs associated with social disorder, mental health, and addictions, and to increase and maintain the affordable housing supply.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Service Delivery Risk GM, Operational Services	■	■	In Progress	↑	Monitor 	■

Risk Rating

The risk rating (High) and risk trend (Increasing) remains unchanged from 2024 June.

Uncertainty related to delivering our services.

In recent months, several events have underscored the increasing risk to The City’s service delivery. Coverage of extreme weather events, such as sudden snowstorms, record-setting number of potholes partly due to increased freeze-thaw cycles and summer’s catastrophic water feedermain break have highlighted vulnerabilities in The City’s infrastructure. Aging infrastructure challenges are further compounded by increasing costs, inflation, labour shortages and challenges, rapidly increasing population and new community growth. Navigating service demand is becoming more complex because of legislative changes, increased politicization of City’s services and workforce capacity complexity (i.e. difficulty to hire key operational positions, turnover, and contractor availability).

Service Risk Registers referenced the Service Delivery Risk most out of the PCRs. They mention that The City continues to support the response of emergencies and events external to Calgary; that said these events exhibit strain on Calgary’s Emergency Management Agency and City operations over time (i.e., City’s response to support Wildfires in Alberta).

Other challenges operational staff are facing include: change management fatigue, prioritization challenges, staffing capacity challenges, capacity to respond to emerging needs, and the increase in the volume of complex and sensitive work.

To mitigate these risks, Calgary will need to enhance its resiliency measures, from infrastructure upgrades to more agile digital systems, to continue providing reliable municipal services in a rapidly evolving environment. Services are looking for creative solutions to maintain service levels and reinvest efficiency savings back into services, as well as implementing pilot programs and technological enhancements to improve, streamline and increase transparency at The City. Capital maintenance gaps are monitored, escalated and prioritized to minimize unplanned service interruptions, while operational workforce safety remains a priority (social disorder can and does impact frontline service delivery).

Strategic Insights from Key Risk Metrics

Overall, the service delivery key risk metrics remain largely unchanged since the Mid-Year report. 13 per cent of Facility Management assets were identified as being in poor or critical condition as opposed to 16 per cent earlier this year. Meanwhile, transit services recovery remains at 65.90 per capita. Lastly, the percentage of Calgarians that express overall satisfaction with City services continues to remain at 63 per cent.

The City’s service delivery performance shows a mixed picture. While facility management shows improvement and overall satisfaction remains stable, transit ridership recovery requires further



attention. A balanced approach that addresses both areas of strength and weakness will be essential for ensuring high-quality service delivery across all areas.

Refer to Attachment 3: Key Risk Metrics for more information.

Risk Response

Current

Workforce

- Monitoring and adjusting services to accommodate changes to ensure optimal staffing levels and minimize revenue shortfalls.
- Equity, Diversity, Inclusion and Belonging Framework rolled out with specific actions to support the workforce.
- Hiring of a psychological safety specialist position, first of its kind, in The City to help mitigate some of the workforce challenges, negative public interactions and create additional support for employees.

Asset and Infrastructure

- Implementing a range of climate change actions to build climate resilience into decision-making, implement measures to mitigate future climate disasters, and pilot alternative fuel vehicles to reduce emissions.
- Other strategies include ongoing monitoring of infrastructure status, inspections and assessments, and data analysis for capital investment planning and green fleet strategies.

Quality of City services and Demand for services

- Exploring and implementing a range of actions to address supply chain disruptions where possible, including exploring new local markets, and implementing process changes.
- Dedicating staff in each department to maximize the benefits from departmental or service oversight of workforce strategies to enable a corporate view of the service risk and collectively mitigate.
- Dedicating staff to oversee a centralized departmental planning function to manage overall risk through service quality and demand.

Upcoming

Workforce

- Work with Human Resources to develop strategies to address current and emerging workforce challenges (e.g., attract, retain, and develop), and foster a culture to improve physical and psychological safety.

Assets and Infrastructure

- Work with Infrastructure Services to better understand the investment outlook for capital repairs and asset renewal. Identify support required for increased preventative maintenance/infrastructure renewal to reduce unplanned service disruptions through data-driven decision-making on budget allocations and infrastructure planning.
- Coordinate access to our in-service infrastructure (for projects, events) to ensure reliable service can be provided.

Quality of City services and Demand for services

Monitor service demand and proactively manage customer expectations by exploring a consistent framework for customer experience across front-facing services.



Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)
Sustainable City Risk GM, Planning & Development Services	■	■	In Development	→	Monitor 	■
<p>Risk Rating</p> <p>The risk rating (High) and risk trend (Stable) and remains unchanged from 2024 June.</p> <p>Uncertainty related to economics, social, and environmental pressures.</p> <p>Without investment, support, buy-in and collaboration from private sector and Calgarians, The City may struggle to execute the policies and plans developed in alignment with the Calgary Plan, Citywide Growth Strategy, Environment Strategy, and Climate Strategy – Pathways to 2050. Progress has been made on implementing the Climate Strategy – Pathways to 2050, however, greenhouse gas emissions are not being reduced at the necessary rate, which poses an increased risk to our economy, environment, people and The City’s reputation. There are opportunities associated with developing/implementing green technologies in Calgary and applying an equity lens to ensure access to environmental and climate services is available for all.</p> <p>Services have also highlighted risks related to responding to increasing frequency of climate change and severe weather events as well as wildfires. With unpredictable real estate market shifts and limited budgets; The City faces challenges with managing growth and development in Calgary as growth is outpacing the capacity of The City to maintain efficient and effective service levels; as this trend continues this may lead to challenges in maintaining service levels, increased risks for services, and delays in providing services to new communities.</p> <p>Strategic Insights from Key Risk Metrics</p> <p>There was a slight drop in Calgary’s parkland as a per cent of the total area of the municipality which is a result of a cleanup of our geographical data. It is currently at 13.8 per cent. Having a higher ratio supports ecological functions, reduces risk in terms of disaster and resilience, and creates aesthetic, economic value, and opportunities.</p> <p>The City of Calgary’s Residential Diversity Index is at 0.22 (Residential Diversity Index). A range of housing types can better accommodate the housing needs of different demographics. Looking at previous years compared to 2024, the residential diversity index has been remaining stable, however, with the new land use bylaw, we anticipate an increase.</p> <p>While forecasted economic growth is positive, record migration is contributing to both labor market challenges and higher-than-average inflation (3.3 per cent in Calgary compared to 2.0 per cent nationally as of 2024 October).</p> <p>Refer to Attachment 3: Key Risk Metrics for more information.</p>						



Risk Response

Current

- Calgary Plan to reflect triple-bottom-line, climate risk/greenhouse gas reduction and other risks.
- Develop/implement climate reporting tools.
- Adapt to ensure we are meeting housing supply needs that match the projected population increase. Ensuring intentionality around our actions and policies for sustainable growth and climate change mitigation and adaptation.
- Sustain relationships with regional partners.
- Incorporate the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) outlined in the White Goose Flying Report.
- Secure contribution agreement for Housing Accelerator Fund (HAF) and ensure we produce the units over the next three years to bring in the full allocation of HAF.
- Ongoing implementation of Environment Strategy & Climate Strategy-Pathways to 2050.
- Continue to incorporate Service Line approach and utilization of cross-corporate collaboration when planning and decision-making.
- Climate Action through Land Use Bylaw amendments.

Upcoming

- Align service lines cross-corporately to address Climate as a Council Priority
- Continuing to embed climate and environment within organizational governance and decision making.
- Build awareness, and training opportunities on climate and environmental risk.

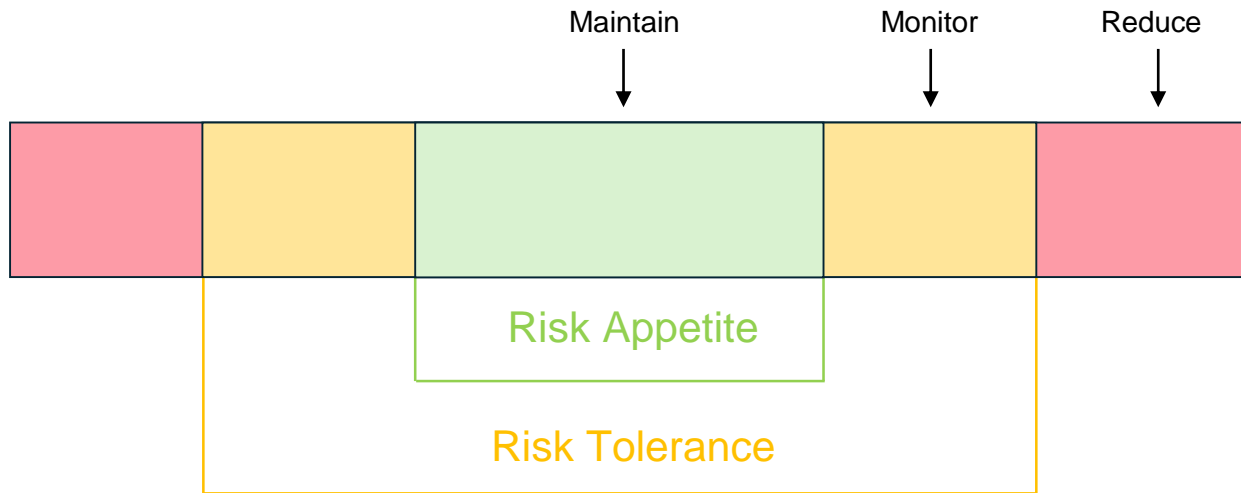
APPENDIX 1: RISK DEFINITIONS

Name of the Principal Corporate Risk	Risk Definition
Capital Infrastructure Risk	Capital infrastructure may be delayed, experience decreased levels of service, or failure due to competing priorities, limited funding, operational challenges, or aging infrastructure. This could result in an inability to deliver needed infrastructure, compromised public safety, service impacts and increased costs to The City.
Employee Experience Risk	Employee experience is a key factor in our ability to attract and retain top talent. There is a risk that The City will not be able to meet the expectations of current and prospective employees.
Technological Disruption Risk	The rapidly evolving sophistication, severity and frequency of cyber-attacks, combined with increasingly diverse IT environments and solutions, increases the risk of technological disruption at an exponential rate. The organization's reliance on technology to deliver customized service across a multitude of platforms requires a focus on monitoring, detecting and mitigating technology risks.
Financial Sustainability Risk	A risk that The City of Calgary is unable to maintain strong financial capacity. This could manifest as a sudden financial constraint, including lower revenues or higher expenses. Generally, this risk increases if the variability in the broader economic context for our operations triggers a significant shift in any revenue or expense category.
Legal Risk	Comprehensive business processes, along with intentional and informed decision making is necessary for the corporation to meet legal compliance requirements and otherwise conduct city business within corporate risk tolerance. This requires the provision of timely professional advice, the absence of which could result in financial losses or unnecessary business, legal or reputational risk for The City.
Reputation Risk	Residents, businesses, and strategic partners need to trust that The City will safely and effectively manage its resources and deliver valued services in an efficient, timely, fair, and equitable manner. Loss of confidence in our municipal government and local leadership will create problems in recruiting and retaining staff, negatively impact Administration's working relationship with Council and other orders of government and may adversely impact residents' quality of life and their perception of Calgary being a great place to make a living and make a life.

<p>Social Wellbeing Risk</p>	<p>There is a risk that The City may not have the capacity to meaningfully contribute through a systemic, holistic approach to the advancement of social wellbeing for all Calgarians due to the increasingly complex social needs and higher demand for services that can result from changing socio-economic and other factors. The potential impacts are deteriorating social wellbeing outcomes – quality of life, access to opportunities, and inclusion in society – for Calgarians, in particular those experiencing vulnerabilities, along with increased pressure for The City and partners to respond, reputational concerns, higher service costs, and in the longer term, possible financial losses resulting from a declining population and economy.</p>
<p>Service Delivery Risk</p>	<p>There is a risk that the quality of public-facing City services will drop below the commitments we have made to Calgarians. A range of factors, including interrelated risks to service inputs (staff health, safety and capacity, systems and processes, infrastructure performance), environmental factors (e.g., extreme weather, cyber threats, public behaviour), and a performance gap (changing public expectations may result in misalignment with service commitments) contribute to the risk.</p>
<p>Sustainable City Risk</p>	<p>Economic, social, and environmental sustainability are critical for The City. Significant contributing factors to this risk are variability in population growth, economic activity, and environmental trends. Impacts from this risk are also likely to be experienced to different degrees spatially within the city and more severely by marginalized groups. Associated long-term and wide-ranging risk considerations for not creating a sustainable city include financial, operational, social, environmental, regulatory and reputational considerations.</p>

APPENDIX 2: RISK APPETITE/TOLERANCE LEVEL

<p>Maintain</p>	<p>Monitor</p>	<p>Reduce</p>
<p>Within risk appetite The current level of hazard/uncertainty, as assessed as part of the Corporate Risk Review process, is consistently in line with the results that were strategically planned and expected and operating at a risk level that the organization is comfortable accepting or maintaining.</p>	<p>Within risk tolerance The current level of hazard/uncertainty, as assessed as part of the Corporate Risk Review process, is within tolerable limits or range, but results may not be sustainable. It is important to continue to closely monitor and assess the risk.</p>	<p>Above risk appetite and tolerance Where the current level of hazard/uncertainty, as assessed as part of the Corporate Risk Review process, is above tolerable limits or range and operating at a level of risk exposure where additional actions are required to reduce the risk to a tolerable or acceptable level.</p>



APPENDIX 3: PCR RESIDUAL RISK RATING TREND

Principal Corporate Risk	Residual Risk Rating (July 2022)	Residual Risk Rating (January 2023)	Residual Risk Rating (July 2023)	Residual Risk Rating (January 2024)	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)
Capital Infrastructure Risk	■	■	■	■	■	■
Employee Experience Risk	Not Rated ⁽¹⁾	■	■	■	■	■
Technological Disruption Risk	■	■	■	■	■	■
Financial Sustainability Risk	■	■	■	■	■	■
Legal Risk	■	■	■	■	■	■
Reputation Risk	■	■	■	■	■	■
Social Wellbeing Risk	■	■	■	■	■	■
Service Delivery Risk	■	■	■	■	■	■
Sustainable City Risk	■	■	■	■	■	■

Legend: ■ Slight | ■ Low | ■ Medium | ■ High | ■ Extensive

(1) Prior to 2023, the risk ratings for "Employee Experience" and "Technological Disruption" were combined into one risk rating labeled as "Employee Experience and Technological Disruption Risk" in The City's Risk Profile.

APPENDIX 4: RISK MATRIX

Likelihood	Level	Prob. %	Medium	High	High	Extensive	Extensive	
	5 Almost Certain	≥ 90%						
4 Likely	65-89%		Low	Medium	High	High	Extensive	
3 Possible	35-64%		Low	Low	Medium	High	High	
2 Unlikely	11-34%		Slight	Low	Low	Medium	High	
1 Rare	< 10%		Slight	Slight	Low	Low	Medium	
			Impact					
			1 - Negligible	2 - Minor	3 - Moderate	4 - Significant	5 - Severe	
			Minimal impact. Still able to achieve objectives without disruption.	Coping strategies required - able to be addressed with existing plans and resources.	Some challenges on ability to achieve objectives. Some delay. Some aspects of objectives are only met in part.	Difficulties to achieve objectives. Delays or notable aspects of objectives not completed.	Unable to meet objectives due to serious, extended disruption.	
Impact Categories	Workforce	<ul style="list-style-type: none"> Minor injury or first aid treatment. Low turnover; easy to hire people with required skills in a timely fashion. 	<ul style="list-style-type: none"> Injury requiring treatment by medical practitioner and/or lost time from workplace. Minor psychological impact. Some turnover; some difficulty in hiring people with required skills in a timely fashion. 	<ul style="list-style-type: none"> Major injury or psychological illness/hospitalization. High turnover; small delays in ability to hire people with required skills in some areas of the organization. 	<ul style="list-style-type: none"> Permanent, or multiple major, injuries or psychological illness. High turnover; notable delays in ability to hire people with required skills in some areas of the organization. 	<ul style="list-style-type: none"> Conditions that could result in fatality(ies). Very high turnover; unable to hire for extended periods of time people with required skills in many areas of the organization. 		
	Technology	<ul style="list-style-type: none"> Non-critical system faces minor interruption. Compromise of unrestricted information otherwise available in the public domain. 	<ul style="list-style-type: none"> Non-critical system faces significant interruption. Minor compromise of protected information sensitive to internal or sub-unit interests. 	<ul style="list-style-type: none"> Critical system faces minor interruption. Compromise of protected information sensitive to the organization's operations. 	<ul style="list-style-type: none"> Critical system faces significant interruption. Compromise of restricted information sensitive to organizational interests. 	<ul style="list-style-type: none"> Irreparable widespread damage to critical system(s). Compromise of restricted information with major, ongoing impact. 		
	External	<ul style="list-style-type: none"> Immediately reversible damage. Minimal flood damage in an isolated area. 	<ul style="list-style-type: none"> Short-term reversible damage. Minimal flood damage in more than one area. 	<ul style="list-style-type: none"> Long-term reversible damage. Major flood damage in an isolated area. 	<ul style="list-style-type: none"> Limited irreversible damage. Major flood damage in more than one area. 	<ul style="list-style-type: none"> Widespread irreversible damage. Massive flood damage in multiple areas throughout the city. 		
	Financial	<ul style="list-style-type: none"> Financial impact is within expected variance and pre-emptively accounted for. 	<ul style="list-style-type: none"> Financial impact is expected and planned for with minor adjustments needed. 	<ul style="list-style-type: none"> Financial impact is greater than planned for, some delay, reduction in scope or alternate funding is required. 	<ul style="list-style-type: none"> A large unplanned financial impact. Significant delays or adjustments to scope are required. Some alternate funding may be achieved. 	<ul style="list-style-type: none"> Unplanned financial impact that results in indefinite delays or cancellation of work. Alternate funding is not able to be acquired. 		
	Strategic	<ul style="list-style-type: none"> A strategic goal within the organization is slightly impacted. Reputation to internal stakeholders may be slightly impacted. 	<ul style="list-style-type: none"> Strategic goal within the organization requires some adjustment. Reputation to key internal stakeholders is adversely impacted. 	<ul style="list-style-type: none"> An organizational-wide strategic goal is compromised. Reputation to internal and some external stakeholders may result in some loss of confidence and trust in the organization. 	<ul style="list-style-type: none"> Unable to deliver on an organizational-wide strategic goal for a sustained period of time. Reputation sustains extended, substantial damage to confidence and trust. 	<ul style="list-style-type: none"> Unable to deliver on an organizational-wide strategic goal indefinitely. Reputation extended, substantial damage to confidence and trust which is irreparable. 		
	Operational	<ul style="list-style-type: none"> Minimal impact on non-core operations. The impact can be dealt with by routine operations. 	<ul style="list-style-type: none"> Some impact on organizational capability in terms of delays, systems quality but able to be dealt with at operational level. 	<ul style="list-style-type: none"> Impact on the organization resulting in reduced performance such that targets are not met. 	<ul style="list-style-type: none"> Some unavailability of critical skills/people. Breakdown of key activities leading to reduction in performance. 	<ul style="list-style-type: none"> Protracted unavailability of critical skills/people. Critical failure(s) preventing core activities from being performed. 		

Public Key Risk Metrics

The Key Risk Metrics (KRM) included in this report reflect the most recent available data at the time of writing. Please note that some metrics are updated less frequently (such as on a biennial basis) so reporting timing may not always align with the latest updates.

We aim to build on these metrics over time to further refine our understanding and enhance the robustness of our risk assessments. This ongoing development ensures that the metrics grow and adapt alongside our risk management efforts.

Capital Infrastructure Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Vacancy rate in the Alberta construction industry	6/30/2024	5.3%	9/30/2023	6.7%	This metric refers to the percentage of unfilled job positions relative to the total number of available jobs in the industry. The vacancy rate for the Alberta construction industry remains relatively high when compared to other industries, and the total vacancy job rate in the province. The vacancy rate for the construction industry has remained stable at 5.3 per cent in the first two quarters of 2024.
Average vacancy rate for Infrastructure Services	10/1/2024	9.4%	4/30/2024	11.0%	This metric refers to the average of the true vacancy rate, which is the count of true vacant positions as a percentage of the number of regular budgeted positions for a given period. The average vacancy rate for infrastructure services department over the past 12 months is 9.4 per cent, falling from 10.5 per cent in the Spring. However, the vacancy rate has remained higher than The City average, each month, over the same period. As of 2024 November, we have filled 68 per cent of the positions that were identified at the beginning of the year.
Non-residential Building Construction Price Inflation	6/30/2024	4%	12/31/2023	4.7%	The non-residential building construction price index for the Calgary CMA rose from 123.9 in Q2 2023 to 128.9 in Q2 2024, indicating a 4 per cent year-on-year inflation rate. Skilled labour shortages and the resulting increases in labour rates, interest rate pressure and building code updates were all reported as key factors impacting the construction sector across Canada in Q2 2024.
10-year infrastructure gap	12/31/2022	7.20\$bn	12/31/2022	7.20\$bn	The City has an estimated \$7.2 billion infrastructure gap, which is the difference between the infrastructure investment needed to meet desired service levels and mitigate risk and the resources made available to address those needs. As Calgary's population continues to grow, the demand on its infrastructure will also continue to grow. <i>This number is current as of 2022 and a new version of the Infrastructure Status Report will be available in early 2025.</i>

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Asset condition - Poor/Very Poor	12/31/2022	7%	12/31/2022	7%	<p>Most of The City's infrastructure is in good condition, safe, and serves Calgarians well. Seven per cent of The City's Assets, including buildings, bridges, facilities, roads, machinery and equipment, parks, and other infrastructure are in poor to very poor condition. Assets in poor condition are more likely to fail, potentially leading to service disruptions, and possibly health and safety concerns.</p> <p><i>This number is current as of 2022 and a new version of the Infrastructure Status Report and this metric will be available in early 2025.</i></p>
Capital Budget Spend rate	6/30/2024	39%	12/31/2023	52.5%	<p>The City made \$0.8 billion in capital investments in the first half of the year. This represents 39 per cent of its Capital budget for the year. The City typically sees the capital spend rate increase in the second half of the year due to the seasonality of the construction industry and this trend is anticipated to continue this year.</p>
Per cent Estimate at Complete (EAC) from Budget	10/1/2024	91%	4/8/2024	75%	<p>The Per cent Estimate at Complete (EAC) from Budget for projects being delivered by infrastructure Services currently stands at 91 per cent. Earlier this year, The City conducted an in-year recast exercise that led to the re-baselining of budgets to match anticipated cashflows for the year. Budget restrictions, scope changes, land negotiations, etc., are some of the pressures driving the deviation of the EAC from budget.</p>
Project schedule status	10/1/2024	95%	3/31/2024	95.1%	<p>The metric includes projects in Stages 3 and 4 that are tracked on our Program and Project Management platform (P2M). The total schedule deviation from baseline for these projects increased from 4.9 per cent in the spring to 5 per cent. The deviation is calculated by dividing the total deviation in months over the total baseline in months for all projects within the portfolio. Internal and external pressures, including consultant non-adherence to schedule, budget restrictions and deferrals, delayed procurements, etc., are driving the deviation from baseline.</p>

Employee Experience Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Inclusion Index	<i>The information remains unchanged and consistent throughout a two-year reporting period. Therefore, there is no new or updated information for this KRM this time.</i>		12/1/2023	74.00	Data for this measure is from the biennial Corporate Employee Survey. The 2023 performance index for Inclusion suggests that the organization has made some progress in addressing issues of reconciliation, human rights, anti-racism, equity, diversity and inclusion. Focusing on creating a more inclusive, respectful and accountable workplace culture continues to be a key corporate and Human Resources Support priority.
Engagement Index	<i>The information remains unchanged and consistent throughout a two-year reporting period. Therefore, there is no new or updated information for this KRM this time.</i>		12/1/2013	76.00	Data for this measure is from the biennial Corporate Employee Survey. The 2023 performance index for Employee Engagement suggests that the organization has made some progress in supporting increased employee engagement. Focusing on creating a more inclusive, respectful, and accountable workplace culture continues to be a key corporate and Human Resources Support priority.
Leadership Impact Score	<i>The information remains unchanged and consistent throughout a two-year reporting period. Therefore, there is no new or updated information for this KRM this time.</i>		12/1/2023	69.00	Data for this measure is from the biennial Corporate Employee Survey. The 2023 performance index for Leadership Impact suggests that the organization has made some progress in supporting increased leadership accountability, employee empowerment, culture, and employee engagement. Focusing on creating a more inclusive, respectful and accountable workplace culture continues to be a key corporate and Human Resources Support priority.
Core 12-month Retention Rate	10/2/2024	87.9%	4/3/2024	92%	The core 12-month retention rate in the first three quarters of 2024 for City Administration was 87.9 per cent. Of the core hires in Q1-Q3 this year who left the organization, 68 per cent were from Calgary Transit. Calgary Transit accounted for the highest number of core hires (33 per cent). Over the last five years, on average exempt retention rates have been trending 10 percentage points higher than their unionized counterparts – we will continue to monitor and proactively manage this trend in relation to the recent jurisdictional review.
Employee Satisfaction Index	<i>The information remains unchanged and consistent throughout a two-year reporting period. Therefore, there is no new or updated information for this KRM this time.</i>		12/1/2023	137.00	The Employee Satisfaction index showed a marked increase from 2021 to 2023, improving from a relative score of 131.4 to an all-time high (since the index was set to 100 when developed in 2005) of 137.0. The Employee Satisfaction Index measures employee perceptions of work-related stress, recognition, involvement, development/training opportunities, and having the resources and clear objectives to do the work. The increase this year was mostly driven by employees' perceptions of feeling appreciated, recognized, involved in decision making, and having manageable work-related stress. While these aspects are still some of the lower performing indicators, the results this year show a positive direction in employee satisfaction.

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Core Employees Voluntary Turnover Rate	10/02/2024	3%	12/1/2023	2.7%	At the end of Q3 2024, the voluntary turnover rate for City Administration was 3.0 per cent, on par with 2020 and lower than the same period in 2021 through 2023. Since 2022, in the first three quarters of each year, resignations continued to account for the majority of voluntary turnover.
Total Recordable Injury Frequency	9/30/2024	8.8 recordable injuries per working hours	12/31/2023	8.5 recordable injuries per working hours	Total recordable injury frequency (TRIF) measures the number of injuries that requires medical attention and may result in lost time and suitable work accommodations. The three main contributors to the claims are: (1) contact with object/machinery; (2) motor vehicle accident/incident; (3) slips, trips, and falls. The 2024 YTD September results are favorable at 8.8 compared to target of 9.0. This highlights the commitment to continuous improvement of The City's safety programs and culture.
Mental Health Index	<i>The information remains unchanged and consistent throughout a two-year reporting period. Therefore, there is no new or updated information for this KRM this time.</i>		9/1/2023	75	The mental health Index in the corporate employee survey includes 14 factors that can prevent harm to employee psychological health and promote psychological well-being. The survey conducted in 2023 shows a slight positive trend; 73 in 2019, 74 in 2021, to 75 in 2023. For 2023, there was a slight increase in 12 of the factors, however there was a slight decrease in the workload management and balance factors. Protection of physical safety and psychological support continue to be the strongest performers while recognition and reward remained an area for improvement.

Financial Sustainability Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Calgary's Inflation rate	10/1/24	3.3%	2/1/2024	5.1%	In October 2024, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) increased by 3.3 per cent year-over-year (YoY), up from September's 2.1 per cent, marking the highest inflation rate in Canada. This ended three consecutive months of deceleration in Calgary's inflation.

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Debt Limits (Percentage of current debt to The City's debt limit)	10/24/24	40%-50%	4/1/2024	50%-60%	Debt levels between 2024-30 are anticipated to range between 40 to 50 per cent of The City's debt limit. The City's approved debt limits outlined in The City's Debt Policy are more stringent limits than those in the Municipal Government Act. The magnitude and timing of Green Line could impact these margins. Long-term debt projections may be negatively impacted by changes in the forecast expenditure profile for a portfolio of capital projects that require debt financing and the timing of contributions from federal, provincial and municipal governments or other developer contributions.
Change in taxable residential property accounts	10/24/24	2.2%	<i>(new KRM in Fall 2024)</i>		The number of taxable property accounts by assessment class for 2025 shows an increase in Calgary by 11,907 in the residential property account class, an increase of 2.20% over 2024 numbers.

Reputation Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Calgarians' trust in The City	Oct 2024	41%	Fall 2023	46%	Research suggests that perception of value is closely linked to trust - and that trust moves in the same direction as perceptions of value. There appears to be a long-term trend that Calgarians no longer perceive that they are receiving good value for their tax dollars, and this perception is clearly reflected in the trust results in the current survey.
Calgarians' perception with how Administration and Council run The City	Oct 2024	53%	Fall 2023	62%	The 5-year average for this metric was 72%, with this year's results showing a sharp decline as compared to the earlier report of 62%. Calgarians' perceptions are informed by events that impact them daily or make a lasting impression. This nine-point drop, coupled with changes in other metrics suggests that Calgarians are expecting more from their municipal government, including addressing issues with respect to taxes, infrastructure, affordability, and the delivery of core services.
Calgarians with positive perceptions of the value of property taxes	Oct 2024	43%	10/30/2023	50%	As of fall 2024, 43% of Calgarians surveyed agree that Calgarians receive good value for their tax dollars. The 5-year long term average for this metric was 54%. The current score, while an outlier, appears to be the result of recent challenges relating to the water main break, recycling, and re-zoning.

Service Delivery Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & Unit (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
311 Service Requests escalations, as a percentage of total SRs	2/29/2024	5%	2/29/2024	5%	OS continues to deliver value to customers through on-time service request fulfillment. Delays are most common for issues that cross service lines, and ongoing efforts are in place (like the CARE project from Elevate Calgary) to streamline processes and reduce escalations.
City growth rate (population)	4/1/2024	4.9%	4/1/2024	5.6%	Calgary's population is forecast to grow to 1,491,900 in 2024, representing a population growth rate of 4.9 per cent over the previous year. This estimated addition of 69,000 residents to Calgary's population represents one of the most significant annual increases in Calgary's history.
Per cent of City infrastructure by condition status (Excellent, Good, Poor, Critical, etc.)	10/17/2024	13%	12/31/2023	16%	Facilities continue to improve data by using Building Condition Assessments (BCAs) and completing BCAs on assets transferred without prior assessments in place. The Asset Management team has completed 160 BCAs to date and are targeting to complete an additional 114 BCAs; the majority are new BCAs but may include re-inspections. BCAs are used to prioritize investment (including the additional \$20M from 2023) into assets, including 13 per cent of buildings assessed as having poor and critical components.
Annual ridership per capital	<i>KRM has not been updated at time of reporting.</i>		12/31/2023	65.90 per capita (revised)	Transit continues its service recovery. Trips per capita capture increased transit usage, and a growing trend indicates the service is available, affordable and customer informed.
Overall citizen satisfaction	10/25/2024	63%	5/28/2024	63%	Citizen satisfaction with services is the measure that indicates whether Calgarians are receiving the right services, at the right time, at the right cost.
Per cent of Work Orders that are Preventative Maintenance.	10/17/2024	65%	6/30/2024	67%	Despite the significant increase in facilities transferred through the Corporate Coordinated Operations & Maintenance (CCOM) program, Facilities continues to trend towards meeting its 2026 target, currently at 65 per cent Preventative Maintenance (PM) to 35 per cent On Demand (OD). To continue to achieve and maintain the targeted PM to OD ratio, Facilities has been identifying & harmonizing opportunities across the full portfolio and monitoring the on-demand cycle to identify areas of high demand that can proactively be addressed by the program.

Social Wellbeing Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
City of Calgary Population Growth	Apr 2024	4.9%	Apr 2023	5.6%	Calgary's population is forecast to grow to 1,491,900 in 2024, representing a population growth rate of 4.9 per cent over the previous year. This estimated addition of 69,000 residents to Calgary's population represents one of the most significant annual increases in Calgary's history.
Unemployment Rate	Sep 2024	7.2%	May 2024	8.0%	The Calgary Economic Region's (CER) three-month moving average unemployment rate for 2024 September was 7.2 per cent, approximately a 1.2 per cent increase compared to the same reporting period last year (2023 September).
Calgary's Inflation Rate	Oct 2024	3.3%	Apr 2024	3.6%	In 2024 October, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) increased by 3.3 per cent year-over-year (YoY), up from September's 2.1 per cent, marking the highest inflation rate in Canada. This ended three consecutive months of deceleration in Calgary's inflation.
Number of Applications for Subsidized Housing Received by Calgary Housing Company	2024 Q2	1,832	2024 Q1	1,646	The number of applications for subsidized housing went up by 186 compared to Q1 2024.
Number of monthly visits to the Calgary Community Food Map Website	Sep 2024	36,450	Feb 2024	28,275	In the month of 2024 September, there were a total of 36,450 visits to the Calgary Community Food Map site.
Number of Property Crimes	<i>The information remains unchanged and KRM is expected to be updated in Q2 2025</i>		Full Year 2023	50,751	Property crime volumes were 10% below the 5-year average in the 4th Quarter of 2023 with reductions across most property crime types. By the end of 2023 property crime was 7% below average. (From CPS's 4th Quarter 2023 Statistical Report, updated number expected to release in Q2 2025)
Number of Violent Crimes	<i>The information remains unchanged and KRM is expected to be updated in Q2 2025</i>		Full Year 2023	15,270	2023 saw 12% more violent crime than the 5-year average and 9% above volume noted at the end of 2022. (From CPS's 4th Quarter 2023 Statistical Report, updated number expected to release in Q2 2025)

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Counts of drug poisoning deaths by month	Jun 2024	22	Mar 2024	33	There was a total of 22 deaths related to opioid for the month of 2024 June. This represents a decrease compared to an earlier figure that was reported in the month of 2024 March which saw a total of 33 deaths.
Downtown Safety Response (includes calls responded to in the downtown by City peace officers, security guards and community partners)	Aug 2024	1,385	May 2024	1,745	In 2024 August, there were 1,385 downtown safety responses. These included 238 infractions, 480 medical/health cases, 505 public safety events, 137 social disorder incidents, and 25 other responses. This marks a 39 per cent decrease compared to 2023 August, which had 2,274 incidents.
Percentage of citizens who agree that Calgary is a great place to make a life	Oct 2024	70%	Spring 2024	69%	Seven-in-ten (70 per cent) Calgarians hold the view that 'Calgary is a great place to make a life,' on par with spring 2024 (69 per cent) but still statistically lower than fall 2023 (75 per cent).
Percentage of citizens who rate the overall quality of life in the city of Calgary today as "good"	Oct 2024	66%	Spring 2024	71%	Perceptions of quality of life among Calgarians have declined in recent waves. Two-thirds (66 per cent) of Calgarians rate the overall quality of life in Calgary as 'good' in fall 2024, statistically lower than spring 2024 (71 per cent) and fall 2023 (76 per cent).
Per cent of population that feels safe from crime walking alone in their area after dark	Oct 2024	77%	Spring 2024	73%	Around three-quarters (77 per cent) of Calgarians still agree that they do feel safe or would feel safe walking alone in their neighbourhood after dark, this level of comfort is consistent with fall 2023 (76 per cent).
Percentage of Calgarians who think that crime in their neighbourhood during the past three years has decreased	Oct 2024	5%	Spring 2024	5%	One in twenty (5 per cent) believe that crime has 'decreased,' similar to fall 2023 (4 per cent).
Percentage of citizens that agree that they are regularly involved in neighbourhood and local community events	<i>The information remains unchanged and KRM is expected to be updated in early 2025</i>		Fall 2023	28%	28 per cent of Calgarians agreed, which has remained fairly consistent over the past few years (27 per cent in the fall of 2022, and 26 per cent in the fall of both 2021 and 2020).

Percentage of people who agree The City of Calgary municipal government fosters a city that is inclusive of all	Oct 2024	68%	Spring 2024	62%	Around two-thirds (68 per cent) agree that 'The City of Calgary fosters a city that is inclusive and accepting of all,' a sentiment that is statistically higher than spring 2024 (62 per cent) and returns to levels on par with fall 2023 (67 per cent).
Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value & (Spring 2024 Report)	Story behind the numbers (Fall 2024 Report)
Percentage of Calgarians who believe Calgary is very or reasonably safe	Oct 2024	75%	Spring 2024	73%	Calgarians' overall perceptions of safety in their city have improved statistically, with three-quarters (75 per cent) now describing Calgary as 'safe,' up from fall 2023 (69 per cent) and returning to levels observed in fall 2022 (77 per cent).
Perception of safety in (own) community during day/night	Nov 2024	98% (day) / 72% (night)	Spring 2024	96/73	During the daytime, nearly all Calgarians (98 per cent) feel safe walking alone in their community. However, less than three-quarters (72 per cent) feel safe walking alone in their neighbourhood after dark.
Perceptions of safety in downtown during day/night	Nov 2024	84% (day) / 32% (night)	Spring 2024	81/30	During the day, 84 per cent of Calgarians who live outside of downtown area feel safe walking alone downtown. After dark, nearly one-third (32 per cent) still feel safe doing so.
Perception of safety using bus/CTrain during day/night	Nov 2024	84% (bus-day) & 74% (train-day) / 57% (bus-night) & 40%(train-night)	Spring 2024	82(bus-day) & 69(train-day) / 52(bus-night) & 35(train-night)	During the day, perceptions of safety on Calgary Transit are high, with 84 per cent feeling safe riding on a bus and 74 per cent on the CTrain. Additionally, 79 per cent feel safe waiting at the bus stop, and 73 per cent at a CTrain station in the daytime. At night, 57 per cent feel safe riding a bus alone and 40 per cent on the CTrain. However, 40 per cent feel safe waiting at a bus stop, and 33 per cent at the CTrain station.
EMS responses to opioid related events	Sep 29, 2024	1,172	Jun 16,2024	736	As of the end of September, there were 1,172 EMS responses related to opioid events for 2024 to date, which is approximately half the total in comparison to 2023 (2,426) during the same period.
Calgary Fire Department Critical Medical Interventions	<i>The information remains unchanged and KRM is expected to be updated in Q2 2025</i>		2023	51,966	In 2023, CFD responded to almost 52,000 medical calls, up 18 per cent compared to 2022, and representing over 55 per cent of CFD's total 2023 annual call volume. Medical calls represent more than all other types of calls combined.

<p>Number of calls for mental health and substance use disorder received by 211</p>	<p>Q3 2024</p>	<p>2,132</p>	<p>Q2 2024</p>	<p>2,682</p>	<p>Mental health and substance use issues remain a significant concern for citizens, as reflected in the number and proportion of related calls to the Distress Centre's 211 support line. However, there has been a decline in these calls throughout each quarter in 2024.</p>
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Sustainable City Risk Key Risk Metrics

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value (Spring 2024 Report)	Story behind the numbers (Fall 2024)
Transportation mode split	<i>(new data point unavailable)</i>		12/31/2022	Active - 15% Auto - 81% Transit - 4%	Post-pandemic travel changes have led to a decrease in active modes and an increase in auto travel, with more people working from home and changing their commuting patterns. Transit mode share continues to recover but remains impacted by changes in commuting patterns after the pandemic.
Community-wide GHG emissions	<i>(new data point unavailable)</i>		12/31/2023	Transportation – 6,044,066 TonnesCO2e Residential Buildings – 4,094,859 TonnesCO2e Non-residential Buildings – 5,422,858 TonnesCO2e Waste – 185,327 Total Community-wide GHG emissions - 15,747,110 TonnesCO2e	Compared to 2022, total Community-wide GHG emissions have decreased by 3.9 per cent to 15.75 MtCO2e, which is 1.1 per cent lower than the 2005 baseline. GHG emissions from residential buildings, non-residential buildings, and the waste sector decreased since 2022, while transportation GHG emissions slightly increased.
Tracking Adaptation and Measuring Development (TAMD)	<i>(new data point unavailable)</i>		12/31/2023	55/80 scorecard rating	The TAMD score is based on an 80-point system, across 8 distinct categories relating to the integration of climate adaptation throughout the corporation. There were slight increases in two categories, based around the formalization of a Governance and Reporting team within Climate and Environment to better support City of Calgary plans and processes (e.g. 53 to 55 out of 80 points).

Key Risk Metric	Date (Fall 2024 Report)	Value & Unit (Fall 2024 Report)	Date (Spring 2024 Report)	Value (Spring 2024 Report)	Story behind the numbers (Fall 2024)
Calgary historical GDP*	(new data point unavailable at point of reporting)		12/1/2023	129,514 (revised)	Calgary's economy is becoming increasingly diversified and less heavily dependent on the oil and gas industries. Growth in the finance and real estate industries have been significant contributors to increased diversification in Calgary's economy. Health care, educational services, transportation and warehousing have also played increasingly important roles in the local economy.
All Parkland in Municipality as a Percent of Total Area of Municipality	12/31/2023	13.84%	(new KRM in Fall 2024)		Parks and open spaces are important in promoting the health and wellbeing of Calgarians, supporting ecological functions, reducing risk in terms of disaster and resilience, and creating aesthetic and economic value and opportunities. Slight drop from prior year based on cleanup of geographic data which will improve future reporting.
Mix of Residential Land Use	10/17/2024	0.22 (Residential Diversity Index)	(new KRM in Fall 2024)		A higher residential mix ensures a choice of housing forms, tenures and affordability. A range of housing types can better accommodate the housing needs of different demographics, including a range of age and socio-economic groups, and lifestyles. A higher residential mix supports more efficient use of infrastructure, public amenities and transit and the viability of local businesses and services. Looking at previous years compared to 2024, the residential diversity index has been remaining stable, however, with the new land use bylaw, we anticipate an increase.

*Note: Real GDP at basic prices (2017 \$ millions) for Calgary Metropolitan Area (CMA), this is an indicator for the standard of living for the area.

Enterprise Risk Management Program Update

This attachment provides an update on current key initiatives and focus areas for the Enterprise Risk Management (ERM) program in 2023-2026.

Risk Maturity

To enhance decision-making, improve resilience, and proactively manage uncertainties, The City is committed to achieving Advanced (Tier 4) risk maturity as defined by the Risk and Insurance Management Society (RIMS) Risk Maturity Model. This goal, approved by the Executive Leadership Team and communicated to the Audit Committee (AC2023-0011), guides our Enterprise Risk Management (ERM) strategy. For descriptions of each of the risk maturity levels within the RIMS risk maturity model, please refer to Appendix 1.

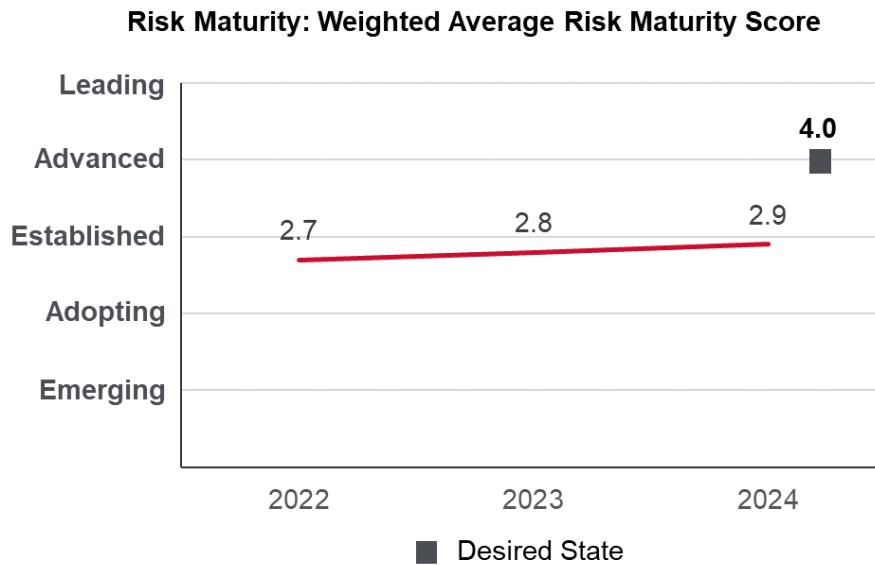
In 2024, the ERM team made significant strides towards this goal. Our journey included:

- **Enhancing Risk Assessment:** We improved consistency in risk assessment by collaborating with experts to update Health & Safety and Environmental Risk impact guidelines. A pilot project with Waste and Recycling Services provided valuable insights into their risk maturity and governance processes, which will inform broader improvements.
- **Improving Risk Reporting:** To provide a more holistic view of the organization's risk profile, we integrated risk information into corporate reporting processes, including the Progress Report and Environmental, Social and Governance (ESG) report. We also established Principal Corporate Risk (PCR) Key Risk Metrics, reported to the ELT and the Audit Committee through the 2024 Mid-Year Principal Corporate Risk Report.
- **Developing a Robust Risk Culture:** We initiated crucial discussions with the ELT and the Audit Committee on advancing risk appetite and tolerance, laying the foundation for a more mature and proactive approach to risk management.

2024 Risk Maturity Survey Results

The 2024 Risk Maturity Survey, as shown in the 'Risk Maturity: Weighted Average Risk Maturity Score' chart, indicates an average risk maturity rating of 2.9, reflecting our ongoing progress towards the desired maturity state of 4.0 (Advanced). This annual survey is a critical tool for measuring the effectiveness of the organization's efforts to increase risk knowledge, awareness, application, and culture.

The following chart illustrates a steady, albeit gradual, increase in the average risk maturity rating over the past three years, rising from 2.7 in 2022 to 2.9 in 2024.



The figure above displays the weighted average risk maturity rating based on all the responses received for the corresponding year. Note that the risk maturity model was updated in 2022 to align with the RIMS Risk Maturity Model.

ERM Focus Areas

Four focus areas were identified for 2023-2026 to further our progress towards the desired level of risk maturity. These areas are Risk Governance, Improved Reporting, Risk Appetite/Tolerance and ERM Integration. In addition, updates on the progress of the Fraud Risk Management framework are shared below:

Risk Governance

Organizational Risk Governance

Effective risk governance is essential for informed decision-making, clear accountability, and consistent risk management practices across the organization. To strengthen risk governance within The City, we are taking steps in developing a Risk Governance framework and expanding and refining the existing framework.

By embedding these risk governance practices throughout the organization, we aim to create a more proactive and resilient City.

Risk Governance – Wholly Owned Subsidiaries

In line with our commitment to proactive risk management, we have enhanced our risk identification and assessment process. We now incorporate risk information from our Wholly Owned Subsidiaries (WOS) into our year-end reporting, providing a more holistic view of the City's risk landscape. This new process, implemented following a 2021 recommendation by Ernst & Young, involves annual risk submissions from each WOS. Please refer to the confidential Attachment 5 for more information.

Improved Reporting

5x5 Risk Matrix - Impact Guidelines

Accurate and consistent risk assessment is fundamental to effective risk management. To achieve this, the ERM team is actively working to improve the risk impact guidelines embedded within the 5x5 Risk Rating matrix.

PCR – Descriptions and Key Risk Metrics

Clear and insightful risk reporting is crucial for effective risk management and informed decision-making. In 2024, we made significant strides in enhancing our risk reporting processes through improving our PCR definitions, data-driven risk assessments, and integrated corporate reporting.

Future Enhancements

To ensure you have the most relevant risk information, the ERM team is developing a new reporting format. This streamlined approach will provide key insights in a concise, one-page summary. See Appendix 2 for a prototype using the Financial Sustainability risk update. We'll be gathering feedback from PCR owners next year to finalize this improved reporting process.

Enhanced reporting through the integration of Risk

To provide a more holistic and informed view of service performance, we successfully integrated service risks into the 2024 Mid-Year Progress Report. This enhancement supports our strategic objective of improving decision-making, enhancing accountability, and promoting transparency by providing a comprehensive understanding of how risks impact service performance.

Working collaboratively with the Performance Measurement and Reporting team, we strategically aligned both reporting processes, eliminating duplication of effort. This integration allows decision-makers to allocate resources more effectively, ultimately driving continuous improvement across the organization.

Going forward, risk information will continue to be included in the Progress Report, ensuring a comprehensive and risk-informed view of service performance.

Other

The Green Line project's recent reintegration into The City as a Business Unit presents both opportunities and challenges. It is essential to proactively identify and manage the associated risks to ensure the project's success and minimize potential negative impacts on the organization.

ERM will be working closely with the Chief Operating Officer's Office and Green Line Corporate Liaison team to integrate these risks into the Enterprise Risk Management framework. This will provide the necessary information to make strategic decisions to protect the City's interests.

Risk Appetite/ Tolerance

The ERM team consistently seeks proactive opportunities to engage with the ELT and Audit Committee on advancing Risk Appetite and Tolerance in the organization:

Audit Committee Engagement

On 2024 October 17, the ERM team provided a Corporate Risk Tolerance update to the Audit Committee, outlining the importance of risk appetite and tolerance and how these concepts help decision-makers weigh risk trade-offs and support consistent management of risks throughout the organization. This information was well received at Audit Committee and promoted active discussion on how to better manage risk at The City considering recent events. Following this meeting, the ERM also hosted a lunch and learn with Audit Committee on Risk Appetite and Tolerance that included an activity highlighting how biases may influence one's perception of risk.

ERM Integration

Integrating the ERM framework across the organization is essential for building a strong risk culture, promoting consistent risk management practices, and enhancing organizational resilience. Our team actively pursues opportunities to embed risk considerations into various processes and initiatives.

Supporting Risk Management

We provide comprehensive support to the organization in developing risk guidance, customized tools, risk workshops, and risk consulting services. This support enables services to effectively manage risks in their projects, programs, and day-to-day operations.

Key Achievements

Our proactive efforts have led to significant achievements in integrating ERM across the organization. Notably, we successfully integrated risk as a key criterion in the new Capital Prioritization Framework, as well as other reports as mentioned above. This ensures that risk considerations are central to capital allocation decisions, leading to a more strategic and risk-informed approach to investments.

Collaborative Partnerships

Furthermore, our team actively looks for opportunities to engage and foster connections with our partners through consistent meetings and sharing of insights and resources. We also identify areas where alignment is possible. Among our partners are the Calgary Police Services, The City Auditor’s Office, Corporate Issues Management, and The Strategic Foresight and Corporate Resilience team.

Fraud Risk Management Framework

Fraud poses a significant threat to any organization, potentially leading to financial losses, reputational damage, and disruption of operations. Recognizing the importance of mitigating fraud risk, we initiated the development of a Fraud Risk Management Framework by bringing together subject-matter experts (SMEs) from various business units. Due to the comprehensive scope of this project, we are dedicated to continuing this important work into 2025 to ensure a robust and effective framework for managing fraud risk.

ERM Program Performance Measures


We developed performance measures for the ERM program which align with our 2023-2026 program goals. These are measured annually and are tabulated below for reference.

No	Performance Measure	Results			Description
		2024	2023	2022	
1	Risk Maturity	2.9	2.8	2.7	Weighted average risk maturity score.
2	Risk Management in Service Planning and Budgeting	25%	22%	34%	Per cent of respondents indicated that risks are considered and analyzed to revise assumptions, strategies or actions.
3	Risk Appetite & Tolerance	27%	22%	26%	Per cent of respondents indicating that risk appetite and tolerance are formally expressed and considered as part of the planning process.
4	Role Clarity	84%	89%	74%	Per cent of respondents indicate that they understand their role either “Somewhat clearly” or “Very clearly”.

Appendix 1: RIMS Risk Maturity Model

Risk Maturity Level	Characteristics
Emerging - Tier 1	No formal capability in place. Risk management is individually driven. Decision making is subject to inconsistent risk-related principles and results.
Adopting - Tier 2	Capability exists on paper. Organization does not have clear engagement from stakeholders. Decision making is primarily driven by qualitative risk considerations.
Established - Tier 3	Capability exists in repeatable processes; senior level understanding of objectives for managing risk and key program elements exist. Decision making is informed by risk data.
Advanced - Tier 4	Capability exists in repeatable processes informed by external context; senior level understanding flows to middle management; business and corporate alignment to risk management framework exists. Decision making is influenced by risk analytics.
Leading - Tier 5	Capability exists in a continuous improvement cycle, informed by internal and external inputs. Decision making is future oriented, proactive, and guided by risk analytics, insights, and risk-related principles.

Appendix 2: Mock-Up of Financial Sustainability Risk Update

Principal Corporate Risk and Risk Owner	Residual Risk Rating (June 2024)	Current Residual Risk Rating (December 2024)	Progress of Risk Response	Risk Trend	Risk Tolerance /Appetite	Target Residual Risk Rating (3 year)																				
Financial Sustainability Risk GM, Corporate Planning & Financial Services	■	■	On Track	→	Maintain 	■																				
Risk Update The risk rating (Medium) and risk trend (Stable) and remains unchanged from 2024 June. <ul style="list-style-type: none"> • Green Line Challenges: Provincial funding instability and project revisions create cost and timeline uncertainty for the Green Line LRT. • Funding Dependence: Reliance on provincial funding, exacerbated by Bill 18, increases the City's financial vulnerability. • Debt & Inflation: Rising debt, coupled with high municipal inflation, puts pressure on City budgets and service delivery. • Economic Headwinds: Economic volatility, supply chain issues, and a softening real estate market contribute to financial risks. • Investor Confidence: Maintaining investor confidence is crucial in the face of increasing costs and potential revenue shortfalls. 																										
Key Risk Metrics Summary <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Key Risk Metric</th> <th>Expected Performance</th> <th>Current Performance</th> <th>Current Risk Tolerance Level</th> <th>Risk Trend</th> </tr> </thead> <tbody> <tr> <td>Calgary's Inflation rate</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">3.3%</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">TBD</td> </tr> <tr> <td>Debt Limits (Percentage of current debt to The City's debt limit)</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">40%-50%</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">TBD</td> </tr> <tr> <td>Change in taxable residential property accounts</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">2.2%</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">TBD</td> </tr> </tbody> </table>							Key Risk Metric	Expected Performance	Current Performance	Current Risk Tolerance Level	Risk Trend	Calgary's Inflation rate	TBD	3.3%	TBD	TBD	Debt Limits (Percentage of current debt to The City's debt limit)	TBD	40%-50%	TBD	TBD	Change in taxable residential property accounts	TBD	2.2%	TBD	TBD
Key Risk Metric	Expected Performance	Current Performance	Current Risk Tolerance Level	Risk Trend																						
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Change in taxable residential property accounts	TBD	2.2%	TBD	TBD																						
Key Risk Management Strategies Current Long-Range Planning: The City utilizes a Long Range Financial Plan (LRFP) to guide financial decision-making and ensure sustainability. The LRFP will be updated in 2027 to address emerging challenges and inform the next service plan and budget cycle, Upcoming Optimize resource allocation by adjusting service levels, pursuing efficiencies, exploring new revenue streams, and utilizing reserves strategically.																										



2024 Year-End Principal Corporate Risk Report

AC2025-0002

2025 January 9

Recommendations

That Audit Committee recommends:

- 1 That Council receive this report and presentation for information and the Corporate Record; and
- 2 That Attachments 4 and 5 and Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2030 January 31.



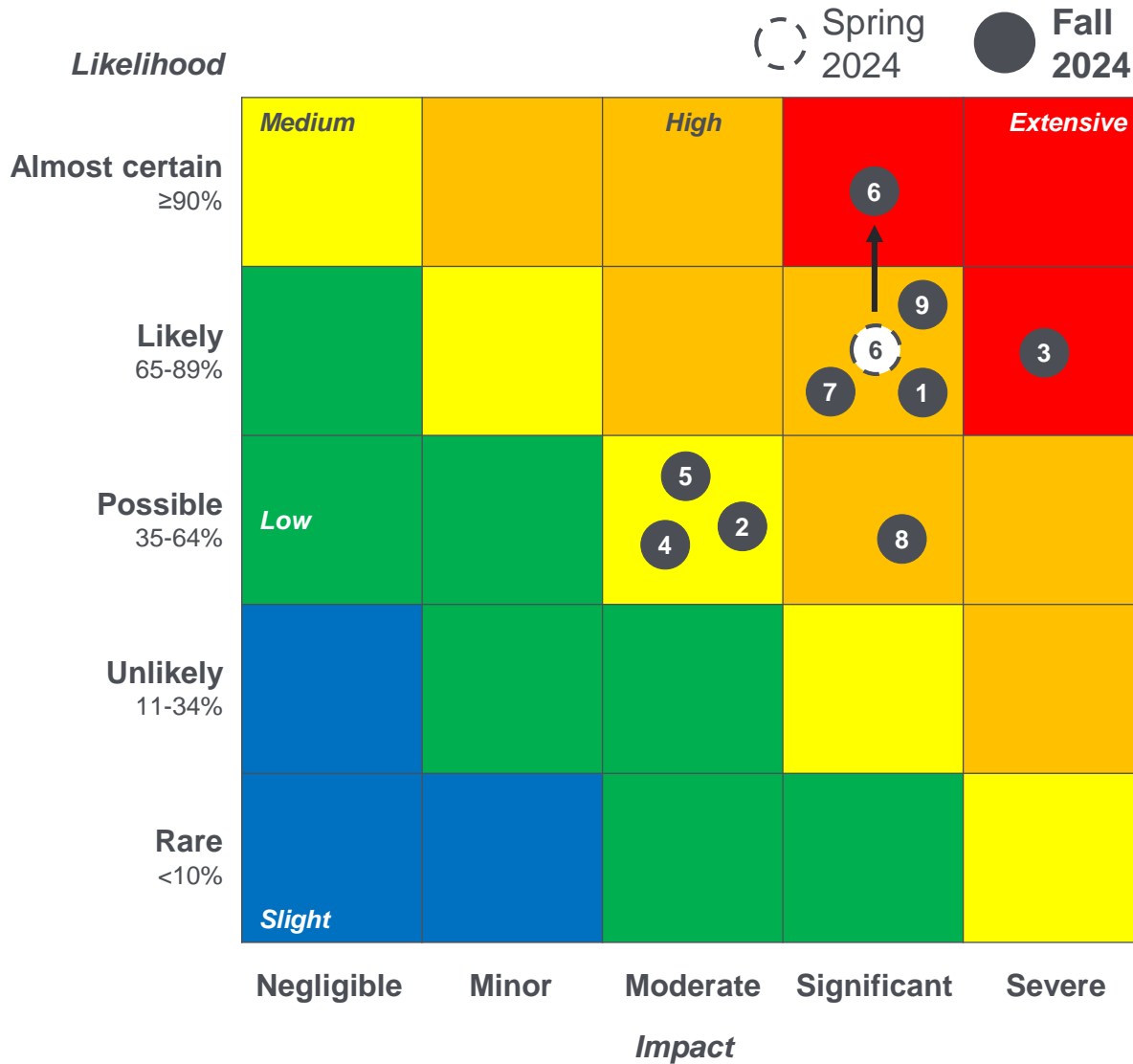
Highlights

- The City's risk profile is trending upwards, with mounting pressures and increased risks primarily driven by factors such as infrastructure challenges, political shifts, and regulatory changes since the 2024 Mid-Year Update.
- The Enterprise Risk Management team continues to implement a comprehensive roadmap, enhancing risk assessments and fostering a robust risk culture in the journey to advance The City's risk maturity.





Principal Corporate Risk Heatmap



Principal Corporate Risk

- 1 Capital infrastructure ----- High
- 2 Employee experience ----- Medium
- 3 Technological disruption ----- Extensive
- 4 Financial sustainability ----- Medium
- 5 Legal ----- Medium
- 6 Reputation ----- Extensive
- 7 Social wellbeing ----- High
- 8 Service delivery ----- High
- 9 Sustainable City ----- High

Year-End 2024 Residual Risk Rating



The City's Principal Corporate Risks

Principal Corporate Risk (PCR)	Current Residual Risk Rating	Risk Response	Risk Trend	Risk Tolerance/ Appetite	Target Residual Risk Rating
Capital Infrastructure	■ High	On Track	↑	Monitor	■ High
Employee Experience	■ Medium	On Track	↑	Monitor	■ Medium
Technological Disruption	■ Extensive	On Track	↑	Monitor	■ Extensive
Financial Sustainability	■ Medium	On Track	→	Maintain	■ Medium
Legal	■ Medium	On Track	→	Maintain	■ High
Reputation	■ Extensive	In Development	↑	Reduce	■ High
Social Wellbeing	■ High	On Track	↑	Monitor	■ High
Service Delivery	■ High	In Progress	↑	Monitor	■ High
Sustainable City	■ High	In Development	→	Monitor	■ High

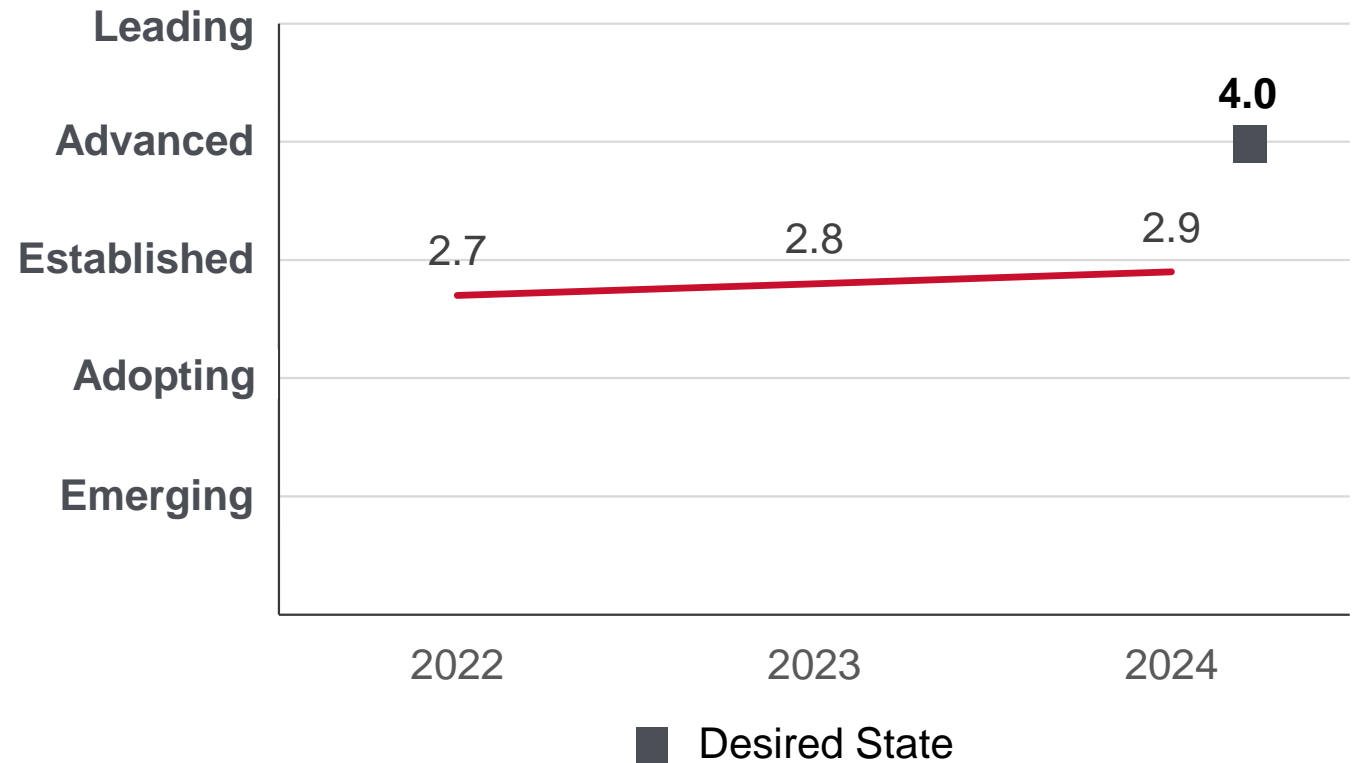
Reputational Risk has increased from High to Extensive.

There were no changes to the Risk Trends.

Risk Maturity Survey Update

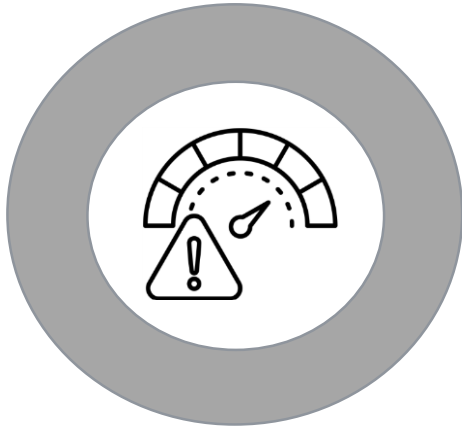


Risk Maturity: Weighted Average Risk Maturity Score





Next Steps: Advancing Risk Maturity – Focus Areas



Risk Appetite/ Tolerance

Risk-informed decisions
and prioritization



Risk Governance

Risk management
communication and
accountability



Improved Reporting

Advancing Key
Risk Metrics
and analytics



ERM Integration

Cross-corporate
reporting and
collaboration

Recommendations

That Audit Committee recommends:

- 1 That Council receive this report and presentation for information and the Corporate Record;
- 2 That Attachments 4 and 5 and Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2030 January 31.



**Audit Resource Management Report to
Audit Committee
2025 January 09**

**ISC: UNRESTRICTED
AC2025-0048**

External Auditor 2023 Management Letter Update

PURPOSE

With respect to the 2023 annual financial audit, the Audit Committee reviews the External Auditor's management letters (Attachment), reviews Administration's responses and confirms that recommendations are addressed in a timely manner.

PREVIOUS COUNCIL DIRECTION

At the 2024 April 18 Audit Committee meeting the External Auditor's 2023 Year-End Report (AC2024-0479) was presented in conjunction with the City of Calgary 2023 Annual Financial Report (AC2024-0438).

The Audit Committee reviewed the External Auditor 2023 Management Letter (AC2024-0536) at their 2024 June 13 meeting. An update was directed to be provided to Audit Committee at their 2025 January meeting on the status of implementation of the recommendations.

Schedule B, Section 1(d) Audit Committee Bylaw 33M2020, as amended, provides the authority for Audit Committee to review the Management Letters and request updates.

RECOMMENDATION(S):

That the Audit Committee:

1. Receives this Report and Attachment for the Corporate Record; and
2. Recommends that Council receive this Report and Attachment for information and the Corporate Record pursuant to the Audit Committee Bylaw 33M2020, Schedule 'B', Section 1(d).

HIGHLIGHTS

This Management Letter update on the 2023 external audit provided by the External Auditor provides assurance that their recommendations are followed up on and implemented as required. There is transparency on Administration's efforts to mitigate any potential risk and gives assurance that recommended changes to reporting processes are addressed in a timely manner.

DISCUSSION

The External Auditor's Management Letter update contains one observation that The City's consolidation process continues to be a manual exercise. Due to the increasing complexity of the transactions between The City and the related authorities the external auditor recommends automation of the consolidation process. Administration agrees with this recommendation and have commenced planning and scoping for an automated consolidation process.

**Audit Resource Management Report to
Audit Committee
2025 January 09**

**ISC: UNRESTRICTED
AC2025-0048**

External Auditor 2023 Management Letter Update

ATTACHMENT

Deloitte LLP 2023 Letter of Recommendations – January 2025 Update Letter

Department Circulation

Councillor E. Spencer	Chair of Audit Committee	Approve
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Author: C. Smillie, Executive Advisor to Audit Committee

January 9, 2025

Private and confidential

Mr. Les Tochor, Acting Chief Financial Officer and
General Manager, Corporate Planning & Financial Services
The City of Calgary
800 MacLeod Trail SE
Calgary AB T2P 2M5

Dear Mr. Tochor:

Following the completion of the December 31, 2023 audit of the consolidated financial statements (the "financial statements") of The City of Calgary ("The City"), we provided a letter of recommendations to Administration and the Audit Committee on June 13, 2024. This letter included recommendations we identified during the fiscal 2020 audit. This matter is not material in nature in the context of the financial statements taken as a whole and did not impact our ability to issue our auditor's report.

This letter provides an update to the letter presented on June 13, 2024, based on our interim audit procedures performed through to December 2024, including Administration's response. Please refer to "Administration's response - January 2025" and "Auditor's update - January 2025" for specific details.

We examined the accounting procedures and systems of internal control employed by The City to the extent we considered necessary to make an evaluation of such systems and procedures in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). The objective of a financial statement audit conducted in accordance with Canadian GAAS is to express an opinion on the fairness of the presentation, in all material respects, of The City's financial statements for the year ending December 31, 2024 in accordance with Canadian public sector accounting standards ("PSAS").

Under these standards, the fundamental purpose of the evaluation is to assess audit risks to assist in determining the nature, extent and timing of our audit tests and to establish the degree of reliance that we could place on selected controls; it was not to determine whether internal controls were adequate for Administration's purposes or to provide assurance on the design or operational effectiveness of internal control over financial reporting.

While our examination would not disclose all weaknesses in the system of internal control, as these examinations are based on selective tests of the accounting records and related data, we are required to communicate significant deficiencies to those charged in governance. A significant deficiency is defined in the Canadian Auditing Standards Section 265 as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of those charged with governance.

The City of Calgary
January 9, 2025
Page 2

We have included in this letter an update to observations we identified during the prior years' audits, based on procedures performed during the 2024 interim audit.

The following summarizes the status of the management letter points:

Title of Observation	Year Identified	Appendix	Status
Automation of the consolidation process	2020	A	In progress

This communication is prepared solely for the information and use of, as applicable, Administration, the Audit Committee, members of Council and others within The City. Further, this communication is not intended to be and should not be used by anyone other than these specified parties or summarized, quoted from or otherwise referenced in another "document" or "public oral statement". We accept no responsibility to a third party who uses this communication.

We wish to express our appreciation for the courtesies and cooperation extended to your representatives during the course of our work. We would be pleased to discuss and/or clarify the matters included herein with you further should you wish to do so.

Yours truly,

Deloitte LLP

Chartered Professional Accountants

cc: The Audit Committee of The City of Calgary

Appendix A – Update to December 31, 2020 observations

Automation of the consolidation process (update to December 31, 2020 year-end observations applicable to 2024)

Year Identified - 2020

Observation

As noted in a previous recommendation letter for the 2015 year-end audit, The City's consolidation process continues to be a manual exercise. The consolidated financial statements include figures from All Funds Statements ("AFS") and consolidation and elimination entries relating to four funds (operating, capital, tangible capital asset and reserve funds) and the related authorities.

Over the last number of years, the transactions between The City and the related authorities have become increasingly more complex, resulting in additional consolidation and elimination entries. The complexity of transactions will continue to increase in the coming years with the implementation of new accounting standards by The City and the related authorities.

Administration uses excel spreadsheets to prepare The City's consolidated financial statements, which include the AFS's from the related authorities and approximately one hundred elimination and consolidation entries, resulting in a complex consolidation exercise. The use of spreadsheets for a complex consolidation is not a best practice as the use of spreadsheets inherently increases the risk of errors relating to incorrect formulas, calculations or simple human error (unintentional deletion or incorrect data entry) and data integrity issues that may go undetected by the preparer or reviewer. Further, reflecting changes from updates to the AFS reports prepared by the related authorities is a manual process that is prone to potential errors and integrity issues.

Additionally, The City undergoes internal reorganizations from time to time. These internal reorganizations may require changes to the disclosures in the consolidated financial statements, including comparative information. To the extent that the consolidation can become more automated, there is a likelihood that generation of supplementary notes and schedules such as segmented disclosures could be done on a timelier basis while freeing up resourcing for Administration to focus on tasks that require manual involvement.

Recommendation

We recommend that Administration implement an automated process relating to the preparation of the consolidated financial statements. For example, a dedicated consolidation information technology software should be utilized (i.e. SAP, Hyperion, PeopleSoft) to minimize errors, integrity issues, generate useful reports and to increase efficiency and timeliness of the financial reporting process.

Administration response

Administration agrees with this recommendation. Currently, there are appropriate internal controls in place to prepare an accurate and complete consolidation; however, Corporate Financial Reporting (“CFR”) will review the current consolidation process in 2021 for additional improvements and consider the available options for the implementation of an automated process for the future. CFR recognizes that given the nature and size of The City, including its related authorities, an automated process for the consolidation would result in the generation of useful reports, increased efficiencies and timeliness of the financial reporting process and reduce the risk profile of the current manual process. Implementation of a consolidation system is a multi-million dollar commitment by The City and would require capital prioritization in competition with many other high-priority initiatives with benefits primarily qualitative in nature. CFR will prepare a business case by the end of fiscal 2021 and engage with internal IT resources for scope and cost considerations. Dependent on these findings, CFR may submit an application for funding in the next four-year budget cycle.

Administration’s update - January 2023

Administration continues to agree with this recommendation. The business case has been approved internally and was included for funding considerations as part of the 2023-2026 Service Plans and Budgets with approval by Council on November 25, 2022. Implementation of a consolidation system is a multi-year commitment by The City and will require prioritization in competition with many other high-priority initiatives with benefits primarily qualitative in nature. Finance will review priorities for the next four-year cycle and will engage with internal IT resources for prioritization of the business case and further scope, cost and implementation timing considerations.

Auditor’s update - January 2023 (based on 2022 interim audit procedures)

We will continue to obtain updates from Administration on the progression of the business case for an automated consolidation process. During our year-end fieldwork, we will perform our planned audit procedures on the consolidation and will report any deficiencies or further recommendations to Administration and Audit Committee upon the completion of the 2022 year-end audit.

Auditor’s update June 2023 (based on 2022 year-end audit procedures)

We continue to recommend that Administration implement an automated process relating to the preparation of the consolidated financial statements to minimize the risk of errors, integrity issues, generate useful reports and to increase efficiency and timeliness of the financial reporting process.

Administration’s update June 2023 (based on 2022 year-end audit procedures)

Administration continues to agree with this recommendation. The business case has been approved for funding with scoping beginning in 2024 as part of the 2023-2026 Service Plans and Budgets that was approved by Council on November 25, 2022. Implementation of a consolidation system is a multi-year commitment by The City and will require prioritization in competition with many other high-priority initiatives with benefits primarily qualitative in nature. Finance will review priorities for the next four-year cycle and will engage with internal IT resources for prioritization of the business case and further scope, cost, and implementation timing considerations.

Administration's update - January 2024

Administration continues to agree with this recommendation. The business case was approved in November 2022 as part of the 2023-2026 Service Plans and Budgets with funding commencing in 2024. Finance has committed to review the business case in the second half of 2024 to initiate preparation work on the consolidation project. Implementation of a consolidation system is a multi-year commitment by The City and will require prioritization in competition with many other high-priority initiatives with benefits primarily qualitative in nature.

Auditor's update – January 2024 (based on 2023 interim audit procedures):

We will continue to monitor Administration's activities and progress as they work through the steps to automate the consolidation process.

Administration's update - June 2024 (based on 2023 year-end audit procedures)

Administration continues to agree with this recommendation. As part of Finance's commitment to review the approved business case in the second half of 2024 to initiate the preparation of work on the consolidation project, recruitment is underway for a subject matter expert resource to join the Finance team to support and deliver this project. While the benefits of a consolidation project are primarily qualitative in nature, The City's commitment to this multi-year project continues to deliver on Council's focus area of modernizing government.

Auditor's update – June 2024 (based on 2023 year-end audit procedures)

We continue to monitor Administration's activities and progress as they work through the steps to automate the consolidation process.

Administration's update - January 2025

Administration continues to agree with the recommendation to implement an automated consolidation process. Formation and staffing of the Consolidation team (subject matter experts) within Corporate Financial Reporting has occurred, and initial exploratory work has commenced. Planning and scoping for the automated consolidation process is being done in conjunction with broader financial systems modernization initiatives within Finance, involving identification of key requirements, resource allocations, and consultations with internal interested parties. Administration remains committed to enhancing the efficiency and accuracy of the consolidation process through automation.

Auditor's update – January 2025 (based on 2024 interim audit procedures):

We will continue to monitor Administration's activities and progress as they work through their internal activities to automate the consolidation process.

**City Auditor's Report to
Audit Committee
2025 January 09**

**ISC: UNRESTRICTED
AC2025-0019**

City Auditor's Office 4th Quarter 2024 Report

PURPOSE

The purpose of this report is to communicate the activities of the City Auditor's Office as set out in Bylaw 30M2004 (as amended).

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. Schedule A of Bylaw 30M2004 (as amended) requires the City Auditor to provide a quarterly report to Audit Committee that includes:

- Trending and achievement of City Auditor's performance measures as established to reflect effective delivery of the City Auditor's mandate;
- Status of Administration action on the current recommended action plan commitments agreed upon in previous audit reports; and
- Status of deliverables against the approved annual audit plan.

The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

RECOMMENDATIONS:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

HIGHLIGHTS

- What does it mean to Calgarians? The City Auditor's Office provides effective independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust.
- Why does it matter? The City Auditor provides open and transparent reporting on key activities on a quarterly basis.

RISK

The activities of the City Auditor's Office support Administration in their on-going mitigation activities related to Principal Corporate Risks.

City Auditor's Report to
Audit Committee
2025 January 09

ISC: UNRESTRICTED
AC2025-0019

City Auditor's Office 4th Quarter 2024 Report

ATTACHMENTS

1. City Auditor's Office 4th Quarter 2024 Report - AC2025-0019

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve

Author: Jon Bateman, Executive Advisor, City Auditor's Office



Calgary

City Auditor's Office

**4th Quarter 2024 Report
October 1, 2024 – December 31, 2024**

January 9, 2025

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1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q3 2024	Q4 2024
Efficiency	On Track to Annual Plan	Q1-25% Q2-56% Q3-81% Q4-95%	66%	94%
Effectiveness	Timely Implementation of Audit Rec.	65%	52%	67%
Quality	Client Satisfaction	85%	96%	99%
Staff	Training Plan Achieved	90%	100%	95%

Budget (\$'000's) (As at Nov. 30, 2024)			
Category	Cumulative Budget	Actual to Date	Variance
Salary	2,939	2,793	146
Tools & Technology	153	157	-4
Training	62	61	1
Professional Memberships	18	18	0
Contracted Services	138	68	70
Employee Recognition	3	1	2
Operating Costs	45	49	-4
Total	3,358	3,147	211

Whistle-blower Program Activity

New Reports (Q4 – 2024)

36

Reports by Quarter

Quarter	Reports
Q4 23	28
Q1 24	28
Q2 24	46
Q3 24	34
Q4 24	36

Active Investigations (Q4 – 2024)

13

Agging of Active Investigations

Category	Count
< 3 months	10
3 - 6 months	2
6 - 12 months	1

Closed Investigations (Q4 – 2024)

10

Classification of Substantiated Allegations*

Category	Count	Percentage
30 Respectful Workplace	30	97%
1 Theft of Time	1	3%

Recommendation Follow-up

Results of 22 Recommendations Due in Q4 (Q3 2024 - 28)

Category	Count	Percentage
19 Closed - Implemented (Q3 - 57%)	19	86%
3 Required Additional Time (Q3 - 43%)	3	14%

Outstanding Recommendations # of Revised Date Requests

Recommendation ID	1st revised date	2nd revised date
AC2024-0960 Planning & Development Services	1	0
AC2023-0541 Law, Legislative Services & Security	1	1

*An investigation may be comprised of multiple allegations and may result in multiple recommendations/corrective actions. Substantiated allegations and matters resulting in corrective action are summarized at www.calgary.ca/whistle

2. Initiative Briefing - Institute of Internal Auditors Global Internal Audit Standards: Domain III

The updated Institute of Internal Auditors Global Internal Audit Standards are effective from January 9, 2025, and are structured into five Domains that together incorporate 15 Principles and 53 Standards. Domain III, Governing the Internal Audit Function, offers important clarification on the relationship between Audit Committee and the City Auditor, by identifying essential conditions that must be in place to support the audit team to deliver their mandate.

The Chief Audit Executive (City Auditor) is required to discuss this Domain with the board (Audit Committee). Based on our analysis of the Domain, the essential conditions are in place. The table below is a summary of the mechanism that supports the on-going discussion and achievements of the key requirements of each Standard.

Standard	Key Requirements	Mechanism
Standard 6.1 Audit Mandate	The Chief Audit Executive must provide the board and senior management with the information necessary to establish the internal audit mandate.	Bylaw
Standard 6.2 Audit Charter	The Chief Audit Executive must develop and maintain an internal audit charter. The Chief Audit Executive must discuss the proposed charter with the board and senior management.	Bylaw
Standard 6.3 Board and Senior Management Support	The Chief Audit Executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization.	Council and Administration Orientation & Meetings
Standard 7.1 Organizational Independence	The Chief Audit Executive must confirm to the board the organizational independence of the internal audit function at least annually. The Chief Audit Executive must document in the internal audit charter the reporting relationships and organizational positioning of the internal audit function, as determined by the board.	Bylaw Annual Report
Standard 7.2 Chief Audit Executive Qualifications	The Chief Audit Executive must help the board understand the qualifications and competencies of a Chief Audit Executive that are necessary to manage the internal audit function.	External Subject Matter Expert/HR
Standard 8.1 Board Interaction	The Chief Audit Executive must provide the board with the information needed to conduct its oversight responsibilities.	Audit Plan Approval Quarterly Reports Annual Reports
Standard 8.2 Resources	The Chief Audit Executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan.	Audit Plan Approval
Standard 8.3 Quality	The Chief Audit Executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function.	Quarterly Reports Annual Reports
Standard 8.4 External Quality Assessment	The Chief Audit Executive must develop a plan for an external quality assessment and discuss the plan with the board.	Goal Setting Procurement Approval

2024 Audit Plan – Status as at December 31, 2024

2024 Audit Plan				
#	Title	Description	Report Target	Status
2023 Audit Plan Carry Forward				
1	Downtown Calgary Development Incentive Program	An operational audit of the Downtown Calgary Development Incentive Program's grant administration.	Q1	Complete/ Reported 2/15/2024
2	Financial Reserves	An operational audit of the effectiveness of the management of City of Calgary financial reserves.	Q2	Complete/ Reported 5/23/2024
3	Cloud Vendor and Solution Management	An IT audit to review processes for identifying, assessing, and monitoring cloud software solutions and vendors.	Q1	Complete/ Reported 1/18/2024
4	Safety Management	An operational audit of the effectiveness of the Occupational Health & Safety Business Unit's monitoring and mitigation of safety incidents.	Q2	Complete/ Reported 4/18/2024
5	Streetlights	An operational audit of streetlights maintenance and repair.	Q2	Complete/ Reported 5/23/2024
6	Project and Portfolio Management Tool (P2M)	An operational audit of the Utilities Delivery Business Unit's utilization of P2M.	Q2	Complete/ Reported 6/13/2024
2024 Audit Plan				
1	Climate & Environment - Clean Energy Improvement Program	An operational audit of the Clean Energy Improvement Program. <i>Principal Corporate Risk: Sustainable City</i>	Q3	Complete/ Reported 9/19/2024
2	Water Services - Water Metering	An operational audit of the effectiveness of The City's water metering processes and policies. <i>Principal Corporate Risk: Service Delivery</i>	Q3	Complete/ Reported 9/19/2024
3	Parks & Open Spaces – Contracted Mowing Services	An operational audit to assess the effectiveness and efficiency of Parks & Open Spaces' contracted mowing services. <i>Principal Corporate Risk: Financial Sustainability</i>	Q3	Complete/ Reported 7/25/2024

2024 Audit Plan				
#	Title	Description	Report Target	Status
4	Partnerships - Neighbourhood Partnership	An operational audit of the Neighbourhood Partnership Coordinator Team's Community Association support. <i>Principal Corporate Risk: Service Delivery</i>	Q1 2025	Reporting
5	Event Centre	An operational audit of The City's governance of the Event Centre project. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q4	Complete/ Reported 11/14/2024
6	IT - Disaster Recovery	An IT audit of disaster recovery processes to provide assurance essential systems are identified and appropriate recovery procedures and infrastructure are in place. <i>Principal Corporate Risk: Service Delivery</i>	Q4	Complete/ Reported 12/12/2024
7	Corporate Security – Cyber Security	An IT audit to assess the effectiveness of activities to detect the occurrence of cyber security events within The City's IT environment. <i>Principal Corporate Risk: Technological Disruption</i>	Q1 2025	Reporting
8	Community Planning -Local Area Plan Process	An operational audit to assess the effectiveness of engagement in the Local Area Plan Process. <i>Principal Corporate Risk: Reputation</i>	Q2 2025	Fieldwork
9	Utilities Delivery - Project Management	An operational audit assessing the effectiveness of the project management of the Deer Run Sanitary Lift Station Upgrade project. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2 2025	Reporting
10	Supply Management - Corporate Supply Chain Resilience Strategy	An operational audit of Supply Management's processes that support the Corporate Supply Chain Resilience Strategy. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2 2025	Fieldwork

2024 Audit Plan				
#	Title	Description	Report Target	Status
2025 Audit Plan Brought Forward				
1	Transit Safety	An operational audit to assess the effectiveness of the implementation of The City of Calgary's Public Transit Safety Strategy. <i>Principal Corporate Risk: Social Wellbeing</i>	Q2 2025	Planning
2	Asset Maintenance - Bridges	An operational audit of The City's maintenance of bridges. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q3 2025	Planning
3	Home is Here	An operational audit of The City's implementation of Objective 1a of Home is Here, The City of Calgary's Housing Strategy 2024-2030: making more City-owned real property assets available for housing in all communities. <i>Principal Corporate Risk: Social Wellbeing</i>	Q4 2025	Planning

Q4 2024 Recommendation Follow-up – In-Progress Action Plans

Report # & Title	# of Revisions	Revised Date	Recommendation
AC2024-0960 Clean Energy Improvement Program Audit	1	December 31, 2024	The Leader, Community Energy Program, enhance CEIP management by: a) Implementing a structured risk assessment process; and b) Monitoring all KPI and establishing and monitoring KPI targets.
AC2023-0541 Building Access Control Continuous Auditing Project	2	December 31, 2025	Details of this recommendation are confidential based on the relevant sections of the Freedom of Information and Protection of Privacy Act.
AC2023-0541 Building Access Control Continuous Auditing Project	2	December 31, 2025	Details of this recommendation are confidential based on the relevant sections of the Freedom of Information and Protection of Privacy Act.