



Calgary

City Auditor's Office

**2nd Quarter 2019 Report
April 1, 2019 – June 30, 2019**

July 23, 2019

**Katharine Palmer
City Auditor**

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1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q1 2019	Q2 2019
Efficiency	On Track to Annual Plan	Q1-30% Q2-58%	32%	55%
Effectiveness	Timely Implementation of Audit Rec.	65%	55%*	53%
Quality	Client Satisfaction	85% 2018-75%	91%	99%
Staff	Training Plan Achieved	90%	100%	100%

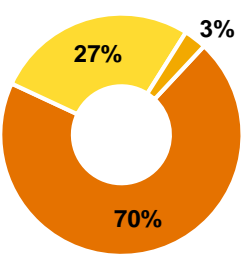
*Restated Q1 information

Budget				
	2019 Annual Budget	Q2 Cumulative Budget	Actual to Date	Variance
Salary	2,769	1,353	1,255	(98)
Tools & Tech.	120	84	81	(3)
Training	62	31	32	1
Other	114	47	43	(4)
Total	3,065	1,515	1,411	(104)

Whistle-blower Program Activity

New Reports (Q2 – 2019)

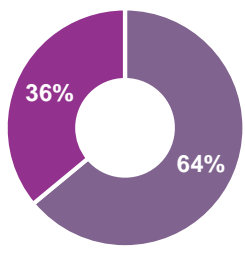
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- 21 Employee
- 8 Non-employee
- 1 Undetermined

In-Progress Investigations (Q2 – 2019)

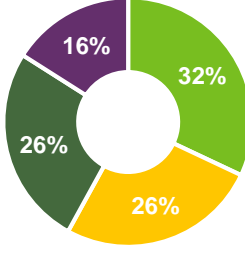
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- 9 City Auditor's Office
- 5 WBP Triage Partners

Closed Investigations (Q2 – 2019)

10



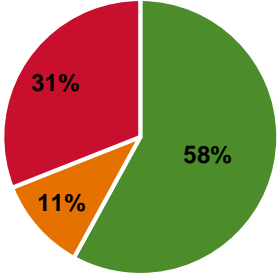
Recommendation Classifications*

- 6 Business Integrity
- 5 Health, Safety and Environment
- 5 HR, Diversity and Respectful Workplace
- 3 Misuse, Misappropriation of Assets

*Recommendations/Corrective Actions are published at www.calgary.ca/whistle

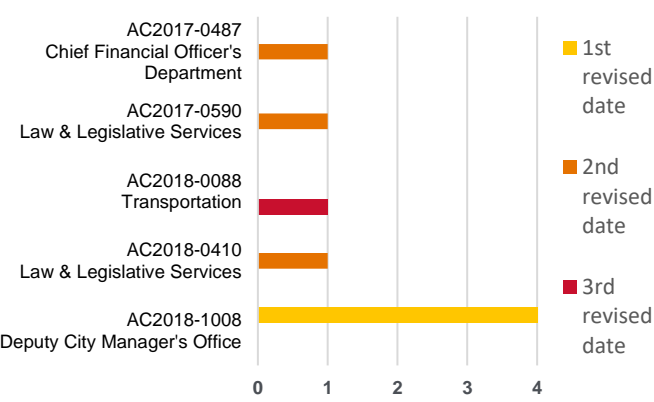
Recommendation Follow-up

Results of 26 Recommendations Due in Q2 (Q1 - 29)



- 15 Implemented (Q1 - 66%)
- 3 Closed - Mgmt. Accepts Risk (Q1 - 3%)
- 8 Required Additional Time (Q1 - 28%)

Outstanding Recommendations # of Revised Date Requests

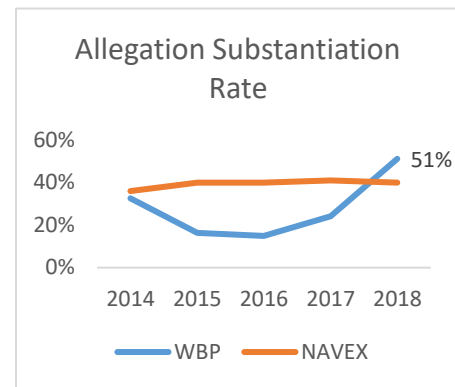


Recommendation ID	Department	1st revised date	2nd revised date	3rd revised date
AC2017-0487	Chief Financial Officer's Department	0	1	0
AC2017-0590	Law & Legislative Services	0	1	0
AC2018-0088	Transportation	0	0	1
AC2018-0410	Law & Legislative Services	0	1	0
AC2018-1008	Deputy City Manager's Office	0	0	4

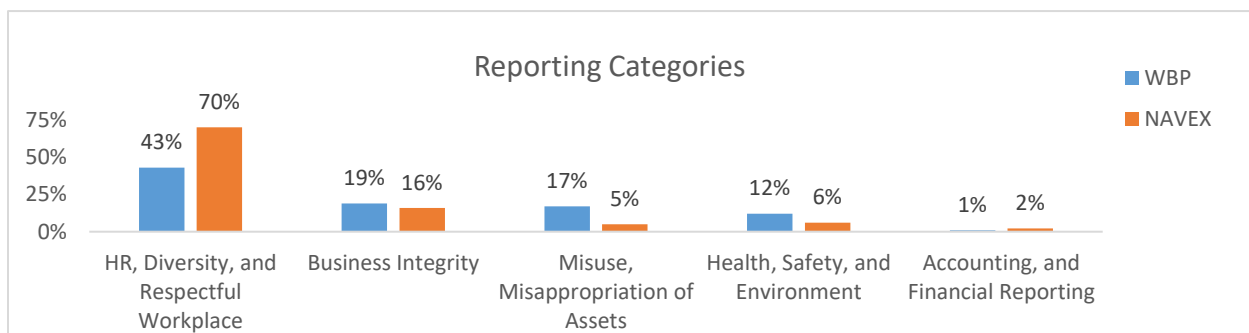
2. Initiative Briefing:

Ongoing benchmarking of the activity of the Whistle-blower Program (WBP) allows for continued evaluation of the program's performance, effectiveness, value, and identification of areas for improvement. Comparison of WBP utilization statistics indicates the WBP is operating in general alignment with aggregate hotline data compiled by NAVEX Global¹.

In 2018, the WBP concluded on 86 allegations of suspected waste and/or wrongdoing resulting in a substantiation rate of 51%, an increase from 2017 (24%) and a higher rate than the NAVEX average (42%). Awareness of The City policies and reporting options, higher quality concerns reported, and effective investigation processes contribute to a higher substantiation rate.

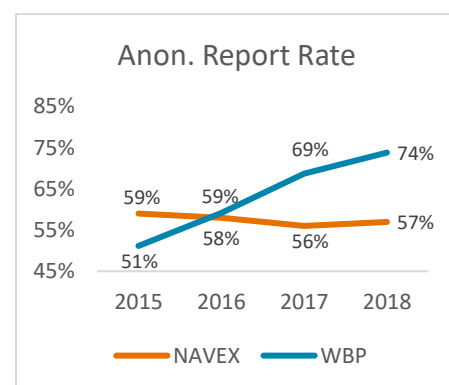


The tracking of categorized allegations can provide insight into the types of reports submitted, the effectiveness of messages provided by Administration and areas of The City where action may be required. In 2018, WBP data indicated that the nature and frequency of concerns reported remained consistent with those reported to other organizations.



The anonymous report rate has steadily increased in recent years and surpasses the rate reported by NAVEX. The availability of anonymous reporting is considered a best practice and a critical component of effective corporate governance. This upward trend is likely attributable to a combination of trust in the anonymity provided by the WBP, and fear of reprisal in utilizing other reporting methods.

Obtaining additional information from individuals reporting anonymously is essential for investigators, and follow-up rates are tracked to identify how many individuals remain involved throughout an investigation. Education and increased reporting using our online reporting tool has increased the frequency of two way communication with anonymous reporters. The follow-up rate for anonymous reports increased from 28% in 2017 to 44% in 2018, surpassing the NAVEX average of 20% for 2018 reports.



¹ The NAVEX Global 2019 Ethics & Compliance Hotline & Incident Management Benchmarking Report comprises data from over 1,032,953 individual reports disclosed by 2,738 organizations, with more than 10 reports, representing over 44 million employees globally.

2018/2019 Annual Audit Plan – Status as at June 30, 2019

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
2018 Carry Forward				
1	Calgary Parking Authority	An operational audit of Calgary Parking Authority's asset management processes for the parkade portfolio that they own and operate.	Q1, 2019	Reported 01/19
2	Planning Application Review and Approval Process (Previous Title: Community Planning/Calgary Approvals)	An operational audit to assess the effectiveness of controls and risk mitigation processes to deliver quality, fair and timely decisions that support development realization.	Q1, 2019	Reported 04/19
3	Calgary Community Standards – Livery Transport Services	An operational audit assessing the effectiveness of internal controls that support public and driver safety.	Q1, 2019	Reported 03/19
4	Annual Control Environment Assessment	An operational audit assessing the design effectiveness of the Annual Control Environment Assessment and assessing the operating effectiveness of control activities which support COSO Principle 3: Establishes Structure, Authority and Responsibility.	Q1, 2019	Reported 02/19
5	Emergency Management	An operational audit of emergency preparedness and related business continuity plans.	Q2, 2019	Reported 06/19
2019 Audits				
1	Green Line – Governance	An operational audit of Green Line Project organization/governance framework. Citizen Priority – A City that Moves	Q2, 2019	Reported 03/19

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
2	Off-site Levy Administration	An operational/IT audit of the effectiveness of City processes (including calculation practices) and system controls that support capital cost recovery and use of collected levies governed by the 2016 Off-site Levy Bylaw. Citizen Priority – A Well-Run City	Q3, 2019	Reporting
3	Warehouse/Inventory Systems	An operational audit of warehouse and inventory systems supporting significant City assets. Citizen Priority – A Well-Run City	Q3, 2019	Reporting
4	Pensions Compliance	A compliance audit as required by Alberta Pension Services (APS) providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire, and SFPP). Citizen Priority – A Well-Run City	Q2, 2019	Reported to APS 06/19
5	Waste and Recycling Services – Cart Contamination Prevention	An operational audit of the effectiveness of contamination prevention activities supporting the Waste and Recycling Services cart programs. Citizen Priority – A Healthy and Green City	Q3, 2019	Fieldwork
6	Budget Management	An operational audit of processes and reporting tools available to DeptID owners to support effective management of their operating budget. Citizen Priority – A Well-Run City	Q4, 2019	Planning
7	Corporate Issue Management Program	An operational audit on the maturity of The City's Corporate Issue Management Program. Citizen Priority – A Well-Run City	Q4, 2019	Planning

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
8	Calgary Fire - Inspections	An operational audit of the efficiency and effectiveness of Calgary Fire's inspection activities. Citizen Priority – A City of Safe and Inspiring Neighbourhoods	Q1, 2020	Not started
9	Roads – Pothole Remediation	An operational audit of the efficiency and effectiveness of pothole remediation. Citizen Priority – A City that Moves	Q1, 2020	Not started
10	Elections Follow-up	A follow-up audit to review action plans implemented in response to the 2017 Municipal Election Review (AC2018-0852). Citizen Priority – A Well-Run City	Q2, 2020	Not started