



Calgary

City Auditor's Office

1st Quarter 2018 Report January 1, 2018 – March 31, 2018

April 17, 2018

**Katharine Palmer
City Auditor**

This page intentionally blank

1. Status Update

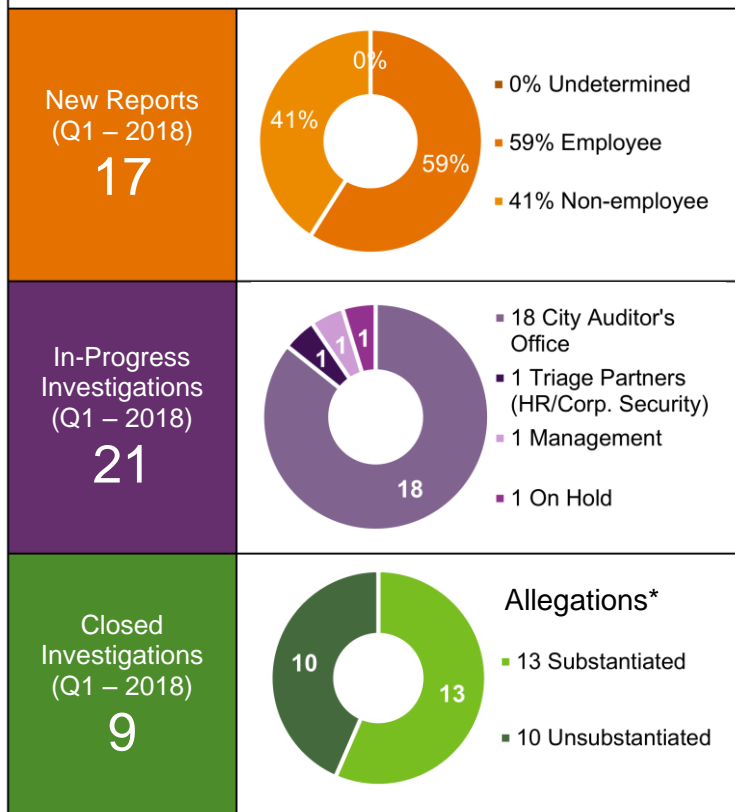
| Key Performance Indicators | | | | |
|----------------------------|--|--------|---------|---------|
| Measure Area | Performance Indicator | Target | Q1 2018 | Q1 2017 |
| Efficiency | On Track to Annual Plan | Q1-29% | 25% | 17% |
| Effectiveness | Timely Implementation of Recommendations | 65% | 67% | 68% |
| Quality | Client Satisfaction | 75% | 96% | 99% |
| Staff | Training Plan Achieved | 90% | 90% | 100% |

Budget

| | 2018 Annual Budget | Q1 Cumulative Budget | Actual to Date | Variance |
|-----------|--------------------|----------------------|----------------|----------|
| Salary | 2,619 | 652 | 581 | 71 |
| Contracts | 96 | 5 | 5 | 0 |
| Training | 65 | 16 | 8 | 8 |
| Other | 134 | 30 | 19 | 11 |
| Total | 2,914 | 703 | 613 | *90 |

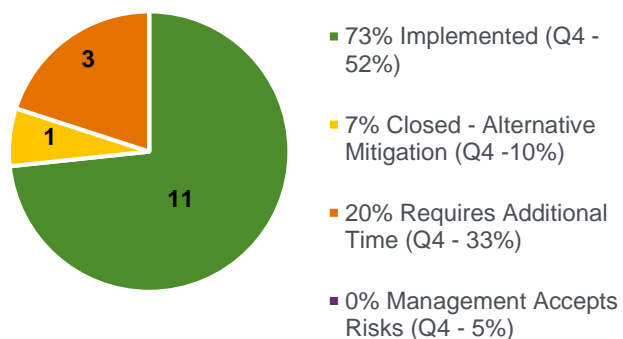
*Variance due to staff vacancy to be filled in early Q2

Whistle-blower Program Activity

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

Recommendation Follow-up

Results of 15 recommendations due in Q1 (Q4 - 21)

Outstanding Recommendations
of Revised Date Requests

2. Initiative Briefing: Quality Assurance and Improvement Program

In conformance with The Institute of Internal Auditors (IIA) *Standards*, the City Auditor's Office (CAO) has a Quality Assurance and Improvement Program (QAIP). The intent of this program is to monitor conformance to IIA *Standards*, and to identify opportunities for continuous improvement to processes. The components of the QAIP are external and internal assessments.

External assessments must be conducted at least once every five years. An assessment team from the Institute of Internal Auditors completed an external assessment in Q2 2017, and concluded that the City Auditor's Office conforms (the highest rating) to IIA *Standards*. The City Auditor's Office has addressed all four recommendations related to best practice and continuous improvement.

Internal assessments are conducted by the CAO through ongoing and periodic reviews.

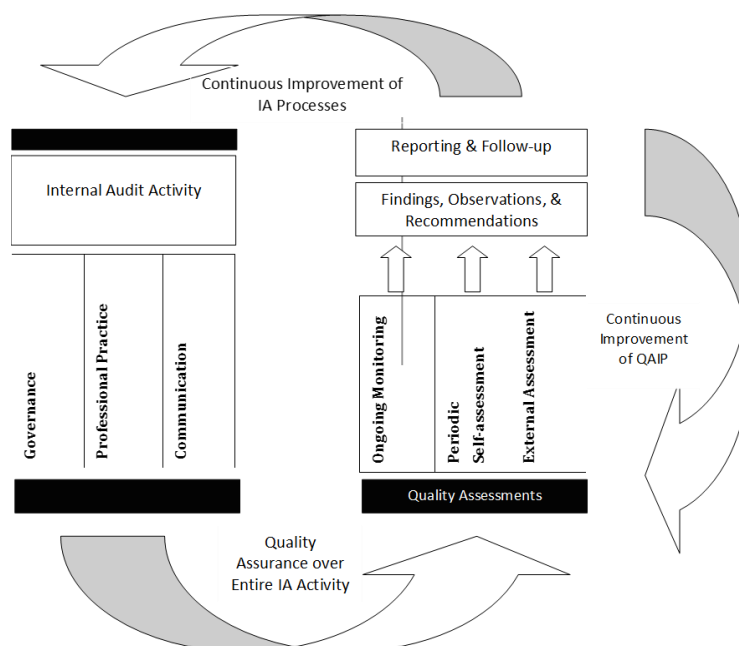
Ongoing reviews include supervisory review of audit work papers and associated reports to ensure compliance with applicable planning; fieldwork and reporting standards; along with stakeholder feedback from client surveys on completed audits.

Periodic reviews are conducted throughout the year and are summarized quarterly. Activities include:

- Audit file peer reviews conducted by a CAO auditor who was not involved in the audit;
- Review of CAO conformance with individual IIA *Standards*; and
- Key Performance Indicator (KPI) collation and reporting.

The City Auditor's Office collates KPIs for both internal CAO purposes, and formal external reporting through Audit Committee quarterly reports. The suite of KPIs is reviewed and adjusted annually to ensure that KPIs create a balanced scorecard focusing on efficiency, effectiveness, and staff skills and knowledge.

The internal and periodic review processes completed to date during 2018 have confirmed ongoing conformance with IIA *Standards*. Identified opportunities for improvement are documented and actioned by the City Auditor's Office as part of day to day audit activities and reflect our commitment to continuous improvement regarding delivery of valued audit and advisory services to our stakeholders.



2017/2018 Annual Audit Plan – Status as at March 31, 2018

| 2017/18 Annual Audit Plan | | | | |
|---|--|--|---------------|-------------------------------|
| # | Title | Description | Report Target | Status |
| Risk Assessed Priority: 2017¹ | | | | |
| 1 | Green Line LRT (Engagement) | An operational audit on the effective utilization of citizen engagement to support the objectives of the capital project. | Q1 | Complete Reported January |
| 2 | Corporate Credit Card (Data Analytics) | A compliance audit utilizing data analytics to assess the effectiveness of related Corporate Credit Card compliance and fraud prevention controls. | Q1 | Complete Reported January |
| 3 | New Central Library Project | An operational audit on the readiness of Calgary Public Library and The City of Calgary to assume hand-off from the Calgary Municipal Land Corporation of the New Calgary Central Library. | Q1 | Complete Reported February |
| 4 | Treasury Management | An operational audit of treasury (cash flow) management. | Q2 | Reporting |
| 5 | Cyber Security Incident Response | An IT audit assessing the effectiveness of response processes established to support and protect critical data from cyber-attacks. | Q2 | Reporting |
| 6 | Procurement | A follow-up audit which will focus on management actions to address recommendations raised in previous CAO audits (from 2009 to current). | Q2 | Reporting |
| Risk Assessed Priority: 2018 | | | | |
| 1 | Employee Expenses | A compliance audit of employee expenses utilizing data analytics. | Q2 | Reporting |

¹ All other planned 2017 audits were completed and reported on during 2017.

| 2017/18 Annual Audit Plan | | | | |
|---------------------------|---|---|---------------|----------------------|
| # | Title | Description | Report Target | Status |
| 2 | 2017 Election Day | A management request (City Clerk's Office) to conduct a root cause analysis review of the issues which occurred on the 2017 election day and to evaluate proposed strategies to improve the election day process. | Q3 | Analysis in-progress |
| 3 | Open Data Program | An operational audit of the Open Data Program governance. | Q3 | Planning |
| 4 | Real Estate Acquisitions (Green Line LRT) | An operational audit assessing the real estate acquisitions related to the Green Line LRT. | Q3 | Fieldwork |
| 5 | Calgary Parking Authority | An operational audit of Calgary Parking Authority's key internal control processes. | Q4, 2018 | Not started |
| 6 | Bonnybrook Plant D Expansion | An operational audit of the Bonnybrook Plant D Expansion capital project. | Q4, 2018 | Not started |
| 7 | Community Planning/Calgary Approvals | An operational audit to assess the effectiveness of processes to improve permit timelines. | Q1, 2019 | Not started |
| 8 | Calgary Community Standards – Livery Transport Services | An operational audit assessing the effectiveness of internal controls that support public and driver safety. | Q1, 2019 | Not started |
| 9 | Annual Control Environment Assessment | An operational audit assessing control activities which support COSO Principle 10: Selects and Develops Control Activities. | Q1, 2019 | Not started |
| 10 | Emergency Management | An operational audit of emergency preparedness and related business continuity plans. | Q1, 2019 | Not started |

| 2017/18 Annual Audit Plan | | | | |
|---------------------------|----------------|--|---------------|-------------|
| # | Title | Description | Report Target | Status |
| 11 | Finance System | <p>An IT audit assessing the efficiency and effectiveness of the finance system to manage budget and costs.</p> <p><i>This audit will be deferred to 2019 as upgrades to the finance system are planned during 2018.</i></p> | TBD in 2019 | Not started |