

## Corporate Issue Management Program Audit

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### EXECUTIVE SUMMARY

The City Auditor's Office issued the Corporate Issue Management Program Audit Report to Administration on March 5, 2020. The report includes Administration's response to the summary recommendation raised by the City Auditor's Office to consider alternative approaches for the delivery of the Corporate Issue Management Program for effective and efficient prevention and management of significant issues. Administration has committed to the implementation of an action plan no later than July 31, 2020. The City Auditor's Office will track the implementation of this commitment as part of our ongoing follow-up process.

### RECOMMENDATIONS

That with respect to the Report AC2020-0297, the following be approved:

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

### RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 MARCH 12:

That Council receive this Report for the Corporate Record.

### PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's Office 2019/2020 Annual Audit Plan was approved on September 18, 2018. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

### BACKGROUND

This audit was undertaken as part of the approved City Auditor's Office 2019/2020 Annual Audit Plan. The purpose of the Corporate Issue Management Plan (CIMP) is to provide a consistent approach to the prevention of and management of issues. The objective of this audit was to assess the effectiveness of the CIMP in timely escalation of significant issues to senior management for appropriate action. We did this by assessing the operating effectiveness of a representative sample of issue management plans; conducting a survey of issue owners and issue leads to determine awareness, benefits, and challenges in complying with the CIMP's requirements; reviewing Administrative Leadership Team meeting minutes for the discussion of issues; reviewing training documentation; and reviewing the delivery of the program. The scope of the audit was limited to the operation of the CIMP for the first seven months of 2019.

### INVESTIGATION: ALTERNATIVES AND ANALYSIS

Overall, we concluded that the design of the CIMP is effective as it enables the regular discussion of high priority issues and establishes a clear process to manage issues. However, there is a concern with operating effectiveness due to inconsistent compliance across the organization. In general, business units identify the issues, allocate resources to act on issues

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and document The City's objectives. Interviews with senior management indicate the root cause for inconsistent compliance in following all the stages of the CIMP Framework may be due to the complexity of performing all the multiple steps required by the CIMP Framework and a perception of the CIMP Framework as very template-oriented, labour and time-consuming. The types of inconsistency include business units not implementing steps within the context of the CIMP such as analyzing and prioritizing issues, developing strategies based on risk, discussing lessons learned to prevent similar issues from occurring and completing their mandatory CIMP training. The CIMP is undergoing a transition period due to turnover of the CIMP Manager, the recent appointment of a new City Manager, and a corporate focus to seek process efficiencies. We believe this is the ideal time to reassess how the CIMP should operate going forward, and to support this decision we provided Administration alternative recommendation scenarios. The City Manager and the City Solicitor have agreed to undertake a strategic review of the CIMP in partnership with the General Managers to consider alternative approaches and make and approve recommendations for the program by the end of July 31, 2020 and begin implementation in Q3 2020.

### **Stakeholder Engagement, Research and Communication**

This audit was conducted with Law acting as the principal audit contact within Administration.

### **Strategic Alignment**

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

**Social, Environmental, Economic (External) - N/A**

### **Financial Capacity**

**Current and Future Operating Budget - N/A**

**Current and Future Capital Budget - N/A**

### **Risk Assessment**

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

This audit was undertaken as part of the City Auditor's 2019/2020 Annual Audit Plan as the CIMP provides a consistent approach to the prevention of and management of issues that may impact The City's ability to achieve its business objectives, deliver quality public service and maintain its reputation of a Well-Run City.

### **REASON FOR RECOMMENDATIONS**

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

## **ATTACHMENT**

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