1st Quarter 2017 Report
January 1, 2016 – March 31, 2017

April 20, 2017

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City Auditor

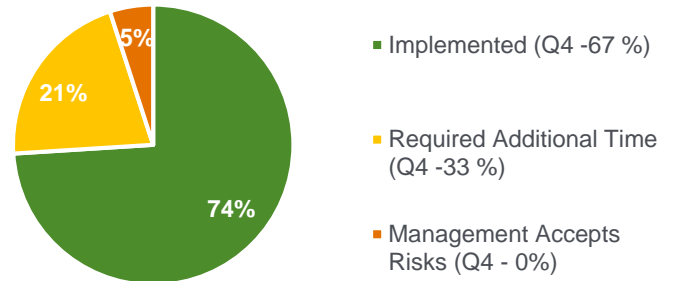This page intentionally blank

1. Status Update

Key Performance Indicators

Measure Area	Performance Indicator	Target Q1	Actual Q1
Efficiency	On Track to Annual Plan	25%	17%
Efficiency	Project Hours Variance	-10% - +10%	-5%
Effectiveness	Recommendation Agreement	95%	100%
Effectiveness	Timely Implementation of Recommendation	None	68%
Quality	Client Satisfaction	75%	99%
Staff	Training Plan Achieved	90%	100%
Staff	Average Years of Service	3.5	4.4

Recommendation Follow-up
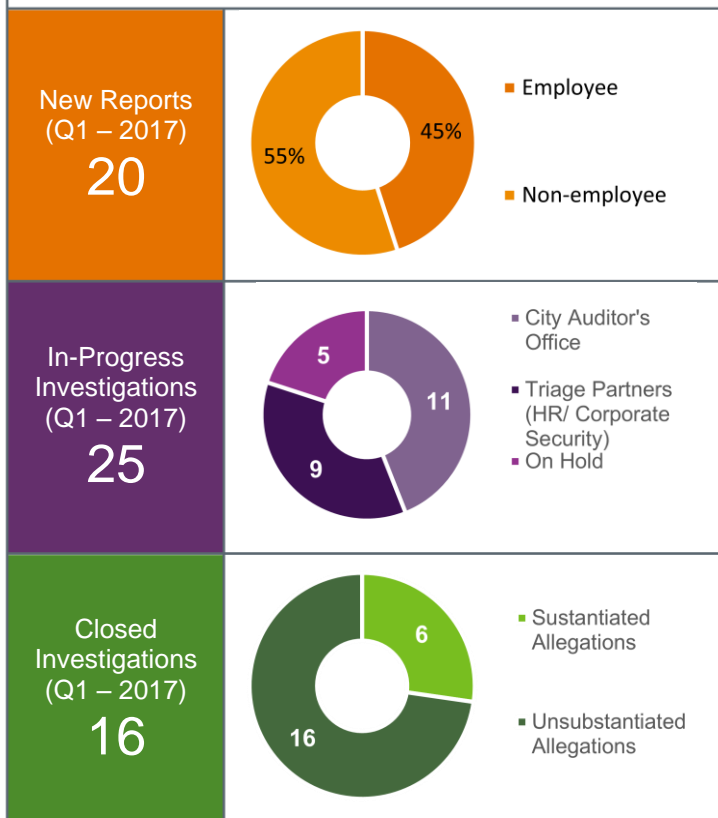
Results of 19 recommendations due in Q1 (Q4 - 21)

- Implemented (Q4 -67 %) — 74%
- Required Additional Time (Q4 -33 %) — 21%
- Management Accepts Risks (Q4 - 0%) — 5%

Outstanding Recommendations
# of Revised Date Requests

- 1st revised date
- 2nd revised date
- 3rd revised date

AC2015-0762- Community Services
AC2016-0754 Utilities & Environmental Protection

# of Recommendations
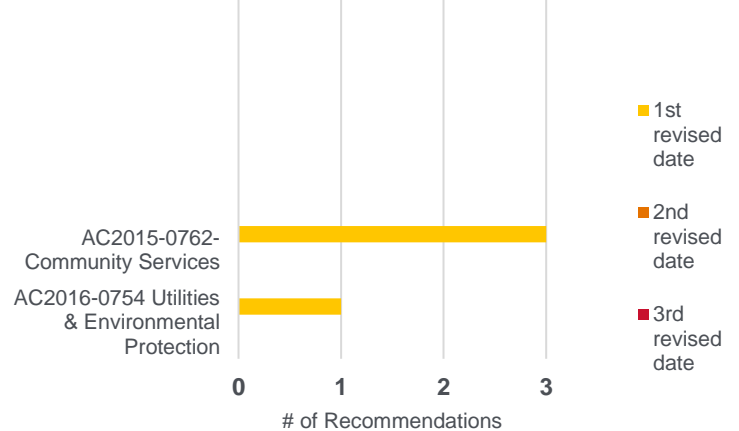
Whistle-blower Program Activity

New Reports (Q1 – 2017)
20

- Employee — 45%
- Non-employee — 55%

In-Progress Investigations (Q1 – 2017)
25

- City Auditor's Office — 5
- Triage Partners (HR/ Corporate Security) — 11
- On Hold — 9

Closed Investigations (Q1 – 2017)
16

- Sustantiated Allegations — 6
- Unsubstantiated Allegations — 16

Operating Budget ($'000's)

	2017 Annual Budget	Q1 Cumulative Budget	Actual to Date	Variance
Salary	2,570	643	562	81
Contracts	135	39	32	7
Training	65	16	11	5
Other	131	32	21	11
Total	2,901	730	626	*104

*Variance due to staff vacancy filled late in Q1.

2. Initiative Briefing: 2017 Key Performance Indicators

The City Auditor's Office (CAO) utilizes key performance indicators (KPIs) to support delivery of assurance, advisory and investigative services in an efficient and effective manner. Reporting quarterly on KPIs demonstrates our accountability to Audit Committee and Council. Furthermore, KPIs allow the CAO to monitor progress against annual targets, and identify opportunities for continuous improvement.

The CAO's customized suite of KPIs is designed to measure, through selected indicators, efficiency, effectiveness and quality of delivered services, as well as staff experience and knowledge. This suite was developed employing best practices, and reflects a "balanced scorecard[1]" – a range of measures that capture performance related to multiple drivers of success. The calculation of each indicator uses a defined methodology to ensure objective reporting from quarter to quarter.

Metrics are refreshed annually to ensure relevance. This year we revised KPIs associated with the completion of the Annual Audit Plan:

1) KPI "On Track to Annual Plan" now reflects the CAO's goal of completing half the approved 2017/18 Annual Audit Plan by 2017 year end. We have set quarterly cumulative targets of 25%/50%/75%/100% to achieve this goal, where 100% represents completion of half the audits on the two year Plan. At the end of each quarter, progress through key audit milestones (completion of planning, fieldwork or reporting) is used to calculate the percentage of Plan complete, and compare to target.

2) KPI "Project Hours Variance" now reflects any difference between the average number of hours taken to complete audits and the number of hours per audit used to develop the Annual Audit Plan. The target has been set at less than 10% variance. Variance above the target (the average number of hours taken to complete audits is higher than that used in the Annual Audit Plan) may indicate that the achievement of the Plan is at risk and/or require the CAO to reconsider the scope of the audits. Variance below the target (the average number of hours taken to complete audits is lower than that used in the Annual Audit Plan) indicates that there may be an opportunity for the CAO to either add additional audits to the Plan, or to expand the scope of future audits.

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[1] Kaplan and Norton, 1992

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

#	Title	Description	Report Target	Status
		2017/18 Annual Audit Plan		
	2016 In-Progress			
1	Landfill	An operational audit assessing the effectiveness of processes established to meet business objectives.	Q1	Complete Reported March
2	POSSE System	An IT audit focusing on the data integrity and sustainability of the business application.	Q1	Complete Reported March
3	New Central Library	An operational audit to provide assurance the project is on track and will meet business objectives of time, cost and quality.	Q1	Complete Reported January
4	Community Associations	An operational audit on Calgary Neighbourhoods' support of Community Associations.	Q1	Reporting
5	Human Resources – Succession Planning	An operational audit assessing the effectiveness of succession planning strategies conducted across the organization.	Q2	Reporting
	Risk Assessed Priority: 2017			
6	Transit Fare Revenue (previously reflected as Transit Fleet Management)	An operational audit assessing the effectiveness of controls over the safe keeping of fare revenue.	Q2	Reporting
7	IT Follow-up	A follow-up audit focused on management actions in response to previous CAO audit recommendations raised over the last 5 years.	Q2	Fieldwork
8	911 Call Centre	An operational audit evaluating the efficiency of tools and resources employed in the emergency call handling processes.	Q3	Fieldwork

#	Title	Description	Report Target	Status
		2017/2018 Annual Audit Plan		
		Risk Assessed Priority: 2017 (Continued)		
9	Green Line LRT	An operational audit on the effective utilization of citizen engagement to support the objectives of the capital project. This is the first in a series of audits on Green Line LRT to be conducted over the lifespan of the project.	Q3	Planning
10	Utility Billing	A follow-up audit focused on management actions in response to control improvement recommendations raised in a 2012 CAO advisory activity.	Q3	Planning
11	Corporate Facilities/Asset Management	An operational audit which continues an original CAO audit conducted in 2013.	Q4	Planning
12	Treasury Management	An operational audit of treasury (debt and cash) management.	Q4	Not Started
13	Procurement	A follow-up audit which will focus on management actions to address recommendations raised in previous CAO audits (from 2009 to current).	Q4	Not Started
14	Cyber Security Incident Response	An IT audit assessing the effectiveness of response processes established to support and protect critical data from cyber-attacks.	Q1, 2018	Not Started
15	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, 2018	Not Started