



Calgary

City Auditor's Office

**2nd Quarter 2020 Report
April 1, 2020 – June 30, 2020**

July 23, 2020

**Katharine Palmer
City Auditor**

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1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q1 2020	Q2 2020
Efficiency	On Track to Annual Plan	Q1-26% Q2-59%	26%	46%
Effectiveness	Timely Implementation of Audit Rec.	65%	60%	29%
Quality	Client Satisfaction	85%	100%	N/A*
Staff	Training Plan Achieved	90%	75%	73%

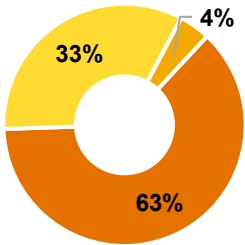
*No survey responses received in this quarter.

Budget (\$'000's)				
Category	2020 Annual Budget	Q2 Cumulative Budget	Actual to Date	Variance
Salary	2,764	1,353	1,194	(159)
Tools & Technology	130	89	116	27
Training	56	28	13	(15)
Professional Memberships	18	9	7	(2)
Contracted Services	4	4	0	(4)
Employee Recognition	3	2	0	(2)
Office Operating Costs	49	32	28	(4)
Total	3,024	1,517	1,358	(159)

Whistle-blower Program Activity

New Reports (Q2 – 2020)

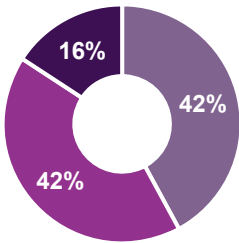
24



- 15 Employee
- 8 Non-employee
- 1 Undetermined

In-Progress Investigations (Q2 – 2020)

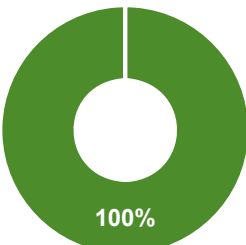
19



- 8 City Auditor's Office
- 8 WBP Triage Partners
- 3 Management

Closed Investigations (Q2 – 2020)

6

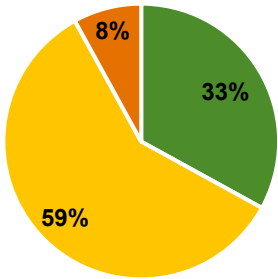


Recommendation Categories*

- 7 Health, Safety and Environment

Recommendation Follow-up

Results of 12 Recommendations Due in Q2 (Q1 - 19)



- 4 Implemented (Q1 - 63%)
- 7 Required Additional Time (Q1 - 37%)
- 1 Closed - Alternative Mitigation

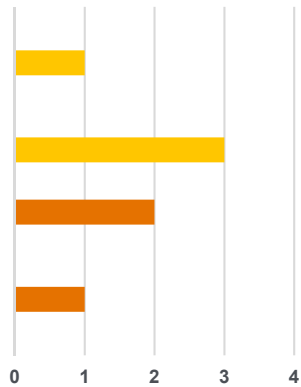
Outstanding Recommendations # of Revised Date Requests

AC2019-1240
Utilities & Environmental Protection

AC2019-1027
Deputy City Manager's Office

AC2019-0353
Transportation

AC2017-0590
City Manager's Office



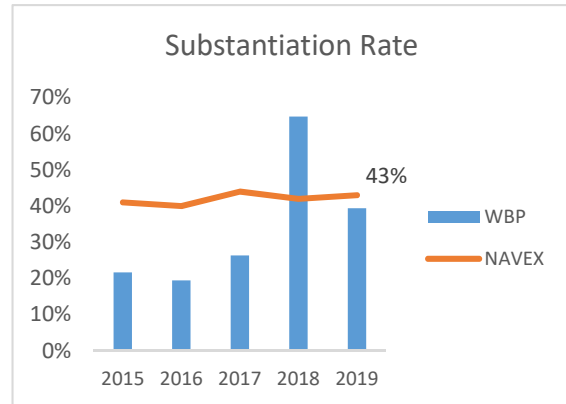
- 3rd revised date
- 1st revised date

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

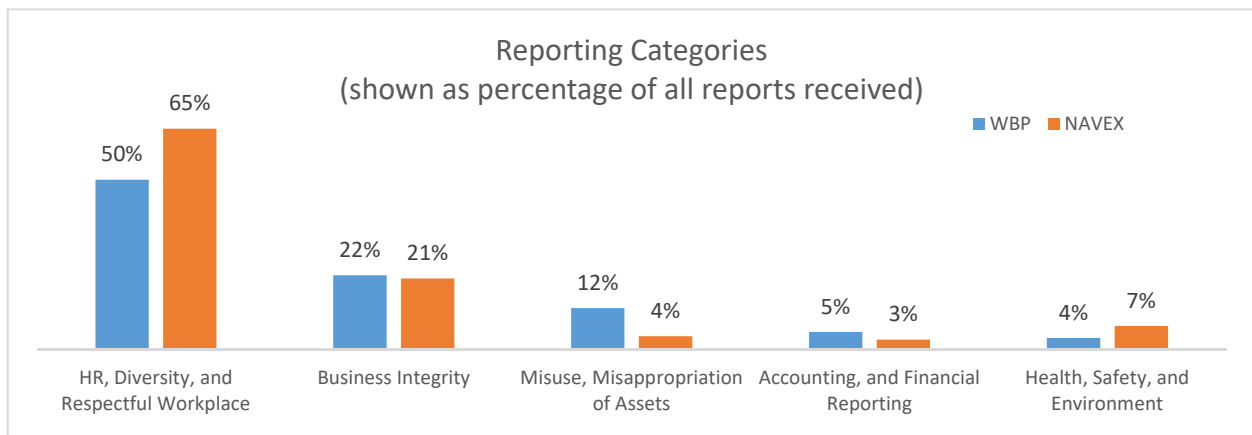
2. Initiative Briefing:

Whistle-blower Program (WBP) data is regularly analyzed and compared annually to external hotline data compiled by NAVEX Global¹ to better gauge the program's performance, effectiveness, and value, and to identify areas for improvement.

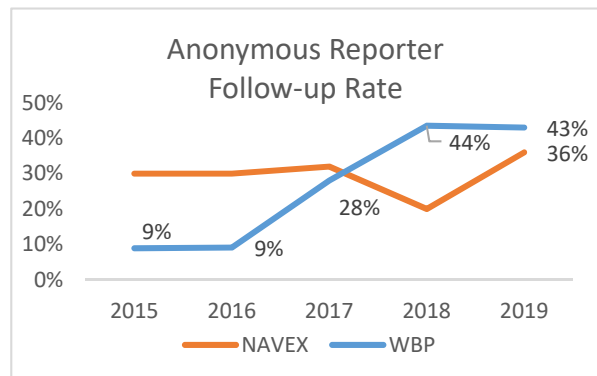
Substantiation rate remains high - In 2019, the WBP substantiated at least one allegation in 39% of all investigations concluded, above the 5-year WBP average (34%) and slightly below the NAVEX average for 2020 (43%). A high substantiation rate reflects a positive combination of awareness of City policies, timely reporting of concerns, and effective investigation practices.



Concerns align with other organizations - The categorization of allegations received can provide insight and potential 'hot spots' revealed are shared with Administration. In 2019, the nature and frequency of reports submitted to the WBP remained consistent with prior years as well as with concerns raised within other organizations.



Anonymous reporters are engaged - Facilitating a reporting process supporting anonymity and encouraging individuals to remain involved is essential to supporting the investigation process. Seventy-three percent of reports received in 2019 were from anonymous sources, 43% of whom remained engaged through the investigation process and followed up on the status of their report, or responded to requests by investigators for additional information, surpassing the NAVEX average (36%).



Utilization and operational data suggests that the WBP is operating in general alignment with hotlines from other organizations.

¹ The NAVEX Global 2020 Risk & Compliance Hotline Benchmark Report comprises data from over 1.4 million individual reports disclosed by 3,255 organizations with more than 10 reports, representing over 50 million employees globally.

2020 Audit Plan – Status as at June 30, 2020

*Indicates adjustment to Plan during Q2

2020 Audit Plan				
#	Title	Description	Report Target	Status
2019 Carry Forward				
1	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	Q1, 2020	Complete Reported 2/13/2020
2	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	Q1, 2020	Complete Reported 3/12/2020
3	Corporate Issue Management Program	An operational audit on the maturity of The City's Corporate Issue Management Program. Citizen Priority – A Well-Run City	Q1, 2020	Complete Reported 3/12/2020
4	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	Q2, 2020	Reporting
5	Roads – Pothole Remediation	An operational audit of the efficiency and effectiveness of pothole remediation. Citizen Priority – A City that Moves	Q2, 2020	Completed Reported 6/11/2020
2020 Audit Plan				
1	Opportunity Calgary Investment Fund	An operational audit of Opportunity Calgary Investment Fund's grant administration. Citizen Priority – A Prosperous City	Q2, 2020	Reporting

2020 Audit Plan				
#	Title	Description	Report Target	Status
2	Green Line Project Governance Follow-up	A follow-up audit to review action plans implemented in response to the 2019 Green Line – Governance Audit (AC2019-0353) Citizen Priority – A City that Moves	Deferred	Will be considered for inclusion in the 2021 Audit Plan
3	Assessment Complaints	An operational audit of the processes utilized by The City to efficiently prepare for, and improvement incorporated in response to, the assessment complaints process. Citizen Priority – A Prosperous City	Q3	Reporting
4	IT SCADA System Security	An IT security audit of the complex supervisory control and data acquisition (SCADA) systems that support critical City infrastructure. Citizen Priority – A Well-Run City	Deferred*	Fieldwork on hold until Q1 2020*
5	Integrated Risk Management	A follow-up audit on Integrated Risk Management (AC2014-0295). Citizen Priority – A Well-Run City	Moved from Q4 2020 to Q1 2021*	Planning
6	Safety Management	An operational audit of the effectiveness of the Environmental & Safety Management Business Unit's monitoring and mitigation of safety incidents. Citizen Priority – A Well-Run City	Deferred*	Will be considered for inclusion in the 2021 Audit Plan*

2020 Audit Plan				
#	Title	Description	Report Target	Status
7	311 Response	A City-wide operational audit of the service area responses to citizen concerns received through 311. Citizen Priority – A Well-Run City	Q1 2021	Planning
8	Councillor Expenses	An audit of Councillor expenses at the request of Council in response to Notice of Motion C2020-0263. Citizen Priority – A Well-Run City	Q3	Reporting
9	Cyber Security Incident Response Follow-up Audit	A follow-up audit to review action plans implemented in response to the Cyber Security Incident Response Audit (AC2018-0410). Citizen Priority – A Well-Run City	Q1 2021*	Addition to Plan: To Initiate in Q3*

Q2 2020 Recommendation Follow-up– In-Progress Action Plans

Q2 2020 ACTION PLANS REQUIRING ADDITIONAL TIME TO IMPLEMENT			
Report # & Title	# of Revisions	New Revised Date	Recommendation
AC2017-0590- IT Follow-up	3	December 31, 2021	#3d)- The Chief Security Officer to, as a result of the Threat Risk Assessment, implement a central repository with a list of applications containing confidential and highly restricted data.
AC2019-0353- Green Line Governance	3	December 31, 2020	#1- The Acting Managing Director of Green Line implement an updated Project governance framework, including defined and communicated roles, responsibilities and accountabilities, accompanying project organization structure, documented decision-making framework, and defined risk and issues management framework that supports achievement of Project objectives.
AC2019-0353- Green Line Governance	3	December 31, 2020	#2- Post project governance framework implementation, Acting Managing Director of Green Line lead a reassessment of Project risk to identify underlying or previously unknown risks, and incorporate into on-going risk management.
AC2019-1027 Supply Management Warehouse and Inventory Control	1	June 30, 2020	#1b)- Manager, Warehouse and Inventory, to work with IT to investigate and resolve the operation of the FSCM embedded approval process to ensure that write-offs greater than tolerance levels are validated and approved by an authorized employee who did not complete the inventory count.
AC2019-1027 Supply Management Warehouse and Inventory Control	1	June 30, 2020	#2- Manager, Warehouse and Inventory, to redesign the inventory count process by incorporating blind inventory counts to support the early identification of inventory record discrepancies.
AC2019-1027 Supply Management Warehouse and Inventory Control	1	June 30, 2020	#3- Manager, Warehouse and Inventory, to develop a process to monitor and verify that inventory counts for type A inventory items are completed within the required cycle count intervals.
AC2019-1240- Waste and Recycling- Blue Cart Contamination Prevention	1	December 31, 2020	#1- The Manager of Infrastructure and Program Management: i. Using a risk-based approach, determine the appropriate target levels for overall blue cart contamination and HHW contamination and establish associated SMART goals and metrics. As part of this process consider if residual contamination is an appropriate measure. ii. Establish and implement the target mix of contamination prevention activities to achieve SMART goals, considering the results of the Customer Service Project and Cart Spot Check Program. iii. Implement a process to evaluate and report on progress towards SMART goals on a defined frequency. The process must include Director level reporting on HHW contamination, both on a periodic basis and when levels exceed predefined thresholds that indicate an elevated safety risk.