



Calgary

City Auditor's Office

**1st Quarter 2021 Report
January 1, 2021 – March 31, 2021**

April 20, 2021

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1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q4 2020	Q1 2021
Efficiency	On Track to Annual Plan	Q4-95% Q1-17%	75%	17%
Effectiveness	Timely Implementation of Audit Rec.	65%	67%	52%
Quality	Client Satisfaction	85%	98%	N/A*
Staff	Training Plan Achieved	90%	81%	100%

*No Responses Received in Q1

Budget (\$'000's)				
Category	2021 Annual Budget	Q1 Cumulative Budget	Actual to Date	Variance
Salary	2,802	690	570	(120)
Tools & Technology	130	34	32	(2)
Training	56	14	1	(13)
Professional Memberships	18	4	0	(4)
Contracted Services	7	7	10	3
Employee Recognition	3	1	0	(1)
Operating Costs	47	25	24	(1)
Total	3,063	775	637	(138)

Whistle-blower Program Activity

New Reports (Q1 – 2021)

35

In-Progress Investigations (Q1 – 2021)

13

Closed Investigations (Q1 – 2021)

5

Recommendation Follow-up

Results of 28 Recommendations Due in Q1 (Q4 - 9)

- 16 Closed - Implemented (Q4 - 67%)
- 1 Closed - Alternative Mitigation (Q4 - 22%)
- 11 Required Additional Time (Q4 - 11%)

Outstanding Recommendations # of Revised Date Requests

*Each investigation could result in any number of recommendations.
*Recommendations/Corrective Actions are published at www.calgary.ca/whistle

2. Initiative Briefing – Recommendation Follow-up

The City Auditor's Office (CAO), in conformance with The Institute of Internal Auditor's Professional Standards, follows up on all reported audit recommendations to verify that agreed-upon management action plans (Action Plans) have been completed or that City of Calgary's Executive Leadership Team have accepted the risk of not taking action. We have established a systematic process with the intent of identifying and escalating any significant risk exposure to City of Calgary Administration and Audit Committee.

Each year the City Auditor ensures sufficient resources and hours are allocated to follow-up activities. The CAO tracks each reported recommendation, including the corresponding Action Plan and expected date of completion, utilizing TeamMate audit software.

Thirty days after the expected Action Plan completion date, the auditor reaches out to the relevant Administration contact to request a status update. If Administration advises the Action Plan is complete, the auditor requests and reviews evidence to validate completion. If the auditor concludes the Action Plan is complete the recommendation is closed in TeamMate. Administration may take an alternate action to address the risk, in which case, the auditor assesses this action and associated evidence to determine whether the risk is mitigated, and the recommendation can be closed. The focus of recommendation follow-up activity is to verify the completion of Action Plans. Where significant risk exposure was identified in the audit, a follow-up audit may be included for consideration as a potential audit in future CAO Annual Plans to ensure the risk continues to be mitigated.

Where Administration requires additional time to complete an Action Plan and requests a revised completion date, the CAO requires supporting General Manager approval. The CAO enters the revised date in TeamMate and continues to track the recommendation until the Action Plan is completed. If Administration chooses to accept the risk and not implement the agreed Action Plan, the CAO also requires General Manager approval and then closes the recommendation and ceases follow-up.

Our follow-up activity is ongoing throughout the year. We provide a quarterly report to Audit Committee summarizing our follow-up activities for the quarter on the Status Update page. We include a chart setting out the number of Action Plans followed up on, and results (Action Plans closed, and required additional time). We also include a chart showing whether, where Administration request a revised date, this is the first, second or third date revision.

Our Key Performance Indicators on the Status Update page additionally include a measure of timely implementation of Action Plans. We set out further information on Action Plans with revised dates on the final page of the quarterly report. The City Auditor provides verbal commentary to Audit Committee if there are concerns regarding risk exposure and/or the capacity of Administration to complete the Action Plan.

The volume of follow-up activity varies from quarter to quarter depending on expected completion dates of Action Plans. During Q1 2021 we followed up on 28 Action Plans. This level of activity reflects that nine Action Plans from the 2019 Off-Site Levy Annual Reporting Audit had expected dates during this time period. We reviewed evidence provided by the Calgary Growth Strategies team, validated Action Plan completion, and closed all nine related recommendations in TeamMate. There is one remaining Action Plan from the Off-Site Levy Annual Reporting Audit, which has an implementation date of December 1, 2021.

2021 Audit Plan – Status as at March 31, 2021

2021 Audit Plan				
#	Title	Description	Report Target	Status
2020 Audit Plan Carry Forward				
1	Cyber Security Incident Response Follow-up	A follow-up audit to review action plans implemented in response to the 2018 Cyber Security Incident Response Audit (AC2018-0410). <i>Citizen Priority – A Well-Run City</i>	Q1	Complete/ reported 3/18/2021
2	Integrated Risk Management	An operational audit assessing the effectiveness of the Integrated Risk Management Framework, which is a recurring audit (AC2014-0295) required under The Institute of Internal Auditor’s International Standards for the Professional Practice of Internal Auditing. <i>Citizen Priority – A Well-Run City</i>	Q2	Reporting
3	311 Response	A City-wide operational audit assessing the effectiveness of processes to respond to citizen concerns received through 311. <i>Citizen Priority – A Well-Run City</i>	Q2	Reporting
2021 Audit Plan				
1	Green Line Program Governance Follow-up	A follow-up audit to assess the effectiveness of actions implemented in response to the 2019 Green Line Project Governance Audit (AC2019-0353). <i>Citizen Priority – A City that Moves</i>	Q2	Reporting
2	Industrial Control Systems Security	A technology and governance audit of the complex industrial control systems that support critical infrastructure in the Water and Transit business units. <i>Citizen Priority – A Well-Run City</i>	Q3	Fieldwork
3	2021 Municipal Election	An operational audit assessing readiness to deliver the 2021 Municipal Election. <i>Citizen Priority- A Well-Run City</i>	Q3	Planning

2021 Audit Plan				
#	Title	Description	Report Target	Status
4	Acquisition of Goods and Services Under SOLE	A City-wide operational audit on the effectiveness of processes supporting the acquisition of goods and services during the State of Local Emergency (COVID-19 Pandemic). <i>Citizen Priority – A Well-Run City</i>	Revised from Q3 to Q4	Not Started
5	Fleet Services – CFOS	An operational audit of the reliability of Fleet Services' Corporate Fleet Operating System to meet fleet utilization analysis and reporting requirements. <i>Citizen Priority – A Well-Run City</i>	Q4	Not Started
6	Hyperion Systems Governance	An operational audit of the effectiveness of governance related to the Hyperion system. <i>Citizen Priority- A Well-Run City</i>	Q4	Not Started
7	Recreation Infrastructure Investments	An operational audit assessing the effectiveness of processes implemented by Calgary Recreation to support equitable infrastructure investments. <i>Citizen Priority – A Healthy and Green City</i>	Q1 2022	Not Started
8	Transportation Infrastructure – Construction Project	An operational audit of a project under the Main Streets Program. <i>Citizen Priority – A City that Moves</i>	Revised from Q2 to Q1 2022	Not Started
9	Recruitment Processes	An operational audit of the effectiveness of the alignment of recruitment processes with The City's diversity objectives. <i>Citizen Priority – A Well-Run City</i>	Revised from Q1 2022 to Q2 2022	Not Started
10	Safety Management	An operational audit assessing Administration's effective utilization of the Occupational Health and Safety Management Systems and related tools that support The City's objectives of a safe and healthy workplace for City employees. <i>Citizen Priority – A Well-Run City</i>	Revised from Q4 to Q2 2022	Not Started

Q1 2021 Recommendation Follow-up – In Progress Action Plans

Q1 2021 ACTION PLANS REQUIRING ADDITIONAL TIME TO IMPLEMENT			
Report # & Title	# of Revisions	New Revised Date	Recommendation
AC2019-0010 Calgary Parking Authority Asset Management	1	December 31, 2021	#3- The Operations & Facilities Manager develop a Lifecycle Strategy for each parkade that aligns to the Asset Management Strategy. Each lifecycle strategy should be reviewed periodically by the General Manager and updated as appropriate.
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#1a)- The Manager of Roads Maintenance develop prioritization procedures and practices that are applied consistently across Roads and are supported by training (Two step action plan).
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#1b)- The Manager of Roads Maintenance develop prioritization procedures and practices that are applied consistently across Roads and are supported by training (Two step action plan).
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#2- The Manager of Roads Maintenance develop a definition of timeliness, establish KPIs linked to prioritization and collect appropriate data to monitor KPIs.
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#3a)- The Manager of Roads Maintenance review availability of trained resources and required equipment on a sample basis during the 2020 summer maintenance program, and conduct analysis to determine whether further action is required to support the agility of crews to respond to high priority potholes.
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#3b)- The Manager of Roads Maintenance continue to work directly with Fleet to resolve reliability and fit for purpose issues associated with the asphalt carriers.
AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#4b)- The Manager of Roads Maintenance establish quality expectations supported by training and define measures to track and report on quality repairs.

AC2020-0408 Roads Pothole Remediation	1	September 30, 2021	#4c)- The Manager of Roads Maintenance establish quality expectations supported by training and define measures to track and report on quality repairs.
C2020-0658 Council Expense	1	June 30, 2021	#1- The City Manager, in conjunction with the Ethics Advisor, revise and update Council expense policy wording and supporting documentation requirements and processes to provide enhanced clarity, including but not limited to, hosting, alcohol, travel, gifts and donations, and office equipment expenses.
C2020-0658 Council Expense	1	June 30, 2021	#2- The City Manager, in conjunction with the Ethics Advisor, review and adjust the approval process for expenses incurred by elected officials to: a) Ensure the approval process's signing officer is an independent authority with ability to enforce and escalate policy compliance; and b) Address the risk of the signing officer approving his/her own expenses.
C2020-0658 Council Expense	1	November 30, 2021	#4- The City Manager, in conjunction with the City Clerk and the Manager, Office of the Councillors, design and implement training to support updated Council expense policies.