



# **City Auditor's Office 2015 Annual Report**



THE CITY OF  
**CALGARY**  
CITY AUDITOR'S OFFICE

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## Message from the City Auditor

It is my passion and pleasure to serve City Council and all Calgarians through the delivery of a highly effective City Auditor Office. This public report, The City Auditor's Office 2015 Annual Report, highlights the significant accomplishments of the City Auditor's Office in 2015 that contribute to making Calgary a well-run city.

In 2014, the City Auditor's Office expanded our approach from providing traditional assurance to provide valued services as a protector, educator and advisor in risk management, controls and governance. This past year we have continued this approach through the development and implementation of new tools and revised processes that further enhance our ability to respond to evolving risks and widen our coverage within The City. In 2015 we were able to provide Calgarians:

- Protection – assurance activities of the design and effectiveness of City's systems and processes;
- Education – concise reporting based on benchmarking and best practice guidance; and
- Value Add - cost effective recommendations to improve efficiency and effectiveness.

During 2015, we fully delivered on ten audits, along with timely delivery of advisory activities. We also continued to support an active Whistle-blower Program with enhanced internal processes and communication tools. With our total staffing of 15 permanent and term professionals, we provided these services effectively and efficiently well within our 2015 budget of \$2.46M.

In addition to delivering our key services, we implemented a number of new initiatives to further support our ability to provide cost effective and efficient audits as well as providing assurance oversight on an expanding base of services provided by The City. These initiatives included:

- Further software automation of our audit recommendation follow-up process;
- Refinement of our data mining tools for analysis of compliance analytics; and
- Targeted economic investment in group training, peer sharing and benchmarking.

The City Auditor's Office is committed to deliver on the highest standards and best practices of a high performing Audit Office in the Public Sector. As we move ahead in 2016, we will work on readiness to have our practices validated through an independent professional assessment of our conformance to the International Professional Practices Framework set by the Institute of Internal Auditors. In addition to validating our practices, this peer assessment will provide further insight on how we can continue to expand our delivery of services in the most cost efficient manner.



Katharine Palmer, CIA, CFE, CCSA, MBA  
City Auditor

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## 1.0 Effective Delivery of the Approved Audit Plan

### Key Performance Indicators

As part of our quarterly reports issued during 2015, we tracked our success based on the following key performance indicators of efficiency, effectiveness, quality delivery, and staff proficiency. We are pleased to report that overall we exceeded targets set for 2015:

#	Performance Indicator	Target	2015 Result	Comments
1	<i>Quality delivery:</i> Results of client survey	75%	88%	Eleven client surveys were received during 2015 covering nine audits for a 100% response rate. The quality rating is based on the points awarded by clients out of the maximum possible.
2	<i>Effectiveness:</i> Audit recommendations agreed to	95%	95%	Scoring impacted by Administration partially agreeing with recommendations in the Corporate Ethics Program Assessment completed by KPMG LLP.
3	<i>Effectiveness:</i> Timely follow-up of audit recommendations	100%	100%	Administration reminded of all action plans due in each quarter within five business days of the quarter's start.
4	<i>Staff proficiency:</i> Professional training	80%	95%	Percentage of training plan completed. Training plans included courses, seminars, webinars, and exam preparation/sitting.
5	<i>Staff proficiency:</i> Staff retention	3 year average	3.3	Two departures during 2015.
6	<i>Efficiency:</i> Projects completed as a percentage of annual plan	100%	88%	Seven of eight audit projects completed to draft report stage by year end. One audit was initiated later in Q3 than expected due to resource constraints.

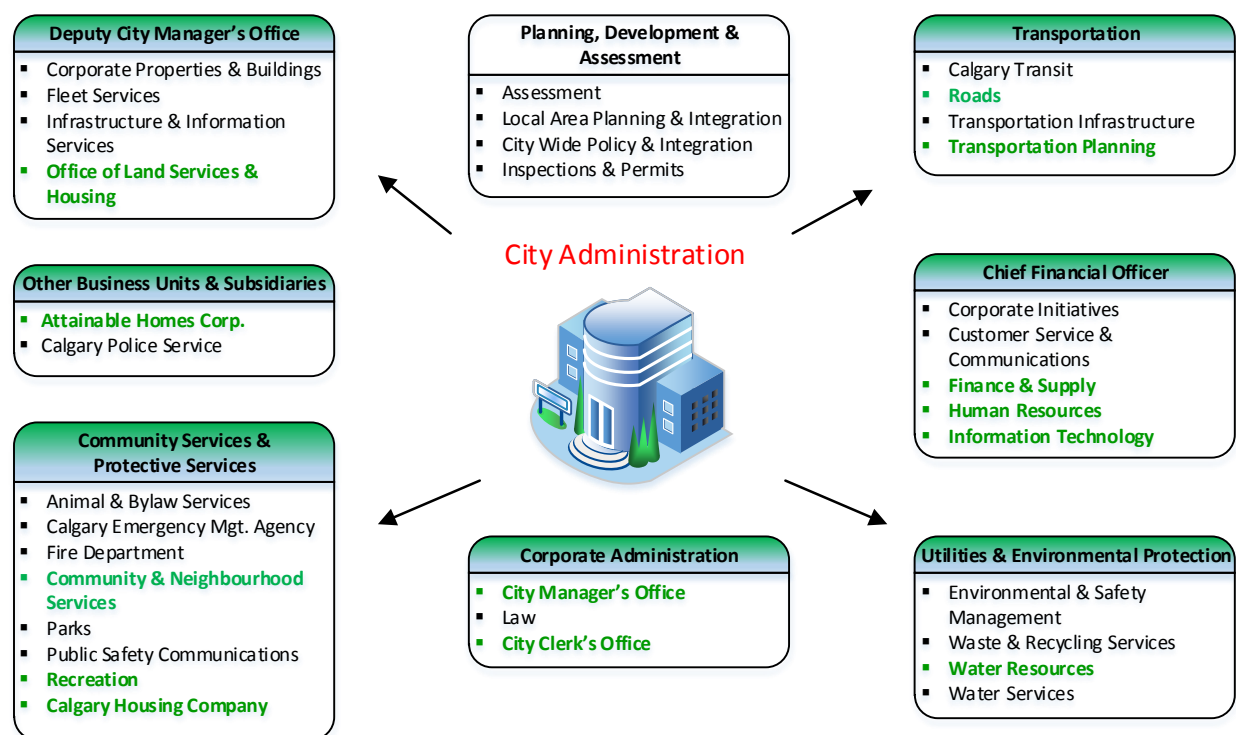
On or above target	1-20% below target	Greater than 20% below target
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### Audits Completed

The City Auditor's Office provides independent, objective assurance services designed to add value and improve The City's operations. We assist The City in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, and control and governance processes.

The City Auditor has the authority to carry out a full range of audits, with the exception of external financial audits. The City Auditor's Office utilizes an annual audit planning process which focuses audit resources on those higher risks that could impact the achievement of 2015-2018 Council Priorities along with providing reasonable assurance on risk management effectiveness across departments and business units.

Our 2015 Annual Audit Plan included eight risk-based audits. The City Auditor's Office strives to ensure adequate coverage of all City business units by following a four-year coverage plan. The green shaded areas and green text indicate the areas where the CAO conducted audit activity in 2015.



In each audit we focus on key risks to City Administration's objectives which in turn support City Administration to effectively meet Council Priorities. During planning, we work with City Administration to ensure that we have a thorough understanding of the area, project or process that we are auditing, their objectives, and the key risks to those objectives. We use this understanding to develop an audit fieldwork plan that will determine assurance on successful mitigation on those key risks. In planning the audit we utilize recognized control frameworks which illustrate structured best practice regarding controls to manage key risks.

All City Auditor Office audit reports are available on the City of Calgary website:

<http://calgary.ca/auditor>. In 2015, we issued a total of ten audit reports (four audits originally initiated in 2014, and six audit reports started and completed in 2015). Summaries of these completed audits are set out below in the same order as presented in our approved 2015 audit plan (Appendix A).

## 1. Ethics Program Assessment

The City has implemented a Corporate Ethics Program that includes a Code of Conduct and Whistle-blower Program to promote a culture of respectful, ethical and safe behaviour in the workplace. The City Auditor's Office 2014 Annual Audit Plan included an assessment of The City's Ethics Program as part of effective governance. The City Auditor's Office engaged KPMG LLP in August 2014 to perform this assessment. The primary objective of the assessment was to provide the City with reasonable assurance that an effective management control framework to support the Corporate Ethics Program is implemented and operating as intended.

KPMG noted issues in the consistency of incident processing and reporting requirements, and in the overall accountability and responsibility over the Corporate Ethics Program. They concluded that the issues identified in their assessment result from the decentralized nature under which the Code of Conduct has been developed over time. KPMG recommended centralizing the model and structure of the Corporate Ethics Program through the City Manager's Office.

## 2. Roads Business Unit Vehicle and Equipment Management Audit

The Roads Business Unit includes responsibility for over 400 bridges and 15,000 kilometres of roadway. In order to deliver the expected services, the vehicles and equipment used by Roads should be cost effective and maintained appropriately. The majority of the vehicles and equipment are leased from the Fleet Services Business Unit through a service level agreement (SLA). The objective of this audit was to provide assurance on the systems and processes in place to manage timely maintenance and cost of vehicles utilized in the Roads Business Unit.

We determined that to be effective the SLA should be strengthened and made nine recommendations. The timing of the audit was particularly important since the SLA expired during our fieldwork, which presented an opportunity for our recommendations to be incorporated in the new SLA.

### **Adding Value: Roads Business Unit Vehicle and Equipment Management Audit**

"The audit team....prepared for every stage, and were always available to answer questions. The team was also very knowledgeable about the subject matter....." – Survey, Leader, Equipment and Materials, Roads

Through the audit process, Roads gained a greater understanding of their vehicle utilization data, and were able to benefit The City as a whole by transferring leases of under-utilized vehicles during the summer months to the Parks Business Unit to meet a need for additional vehicles.

## 3. Sewer Capacity Management Processes Audit

Calgary is growing by approximately 25,000 people per year, which along with higher density development, creates increased sewer capacity demands. Effective prioritization of sewer projects and communication between business units is key in order to successfully mitigate sewer capacity risk. The objective of this audit was to assess the effectiveness of prioritization of sewer projects; communication channels between Water Resources and other business areas that can impact capacity needs; evaluation of design standards; and monitoring of high inflow and infiltration levels in order to successfully mitigate sewer capacity risk.

Based on our scope of review, processes for long term planning, capacity assessment and the prioritization of projects were in place and operating to support effective risk management of sewer capacity. Recognizing that forecasted growth will continually place pressure on the management of sewer capacity, we raised four resiliency recommendations.

## 4. Virtual Desktop Information Technology Audit

In response to greater demands for mobile working, improved business continuity and cost savings, The City is making greater use of a Virtual Desktop Infrastructure (VDI). During the first phase of implementation, IT was able to quickly rollout this technology to some City personnel during the 2013 flood. This provided users that were unable to access their computer with a full desktop experience. The

project entered its third and final phase in 2015 and will significantly expand the number of users this technology can support.

The objective of this audit was to determine if control processes exist to provide reasonable assurance that the Virtual Desktop program (branded as myDesktop) will achieve the benefits described in IT's 2015 - 2018 budget submission. This assessment was performed using a just-in-time methodology to support the successful expansion of this technology. We recommended controls to address the risk exposures of the project failing to deliver expected benefits and lack of system availability.

#### 5. Transportation Planning Audit Project Prioritization

Due to the increasing needs of a growing city, there is an anticipated funding gap over the next decade for transportation projects. To ensure the appropriate allocation of available funds, transportation project prioritization should be conducted in an objective and transparent manner to support Council's decision-making process. The objective of this audit was to evaluate processes related to the effective prioritization of Transportation's capital projects during portfolio planning. We examined prioritization processes utilized in Transportation's 10-year capital infrastructure plan, investing in Mobility (IIM) 2015-2024.

We determined that, although elements of an effective prioritization process have been implemented by Transportation Planning, a fully defined process of project prioritization is not in place. The prioritization process lacks a portfolio management plan setting out how projects are to be evaluated, prioritized, and allocated funding. Prioritization criteria in IIM focus on alignment of the transportation portfolio to The City's long-term objectives, however, no assessment is performed to capture the cost-benefit ratio of projects.

#### 6. Freedom of Information and Protection of Privacy Access Request Process Audit

The Freedom of Information and Protection of Privacy Act (FOIP Act) provides individuals with the right to request access to information in the custody or control of public bodies, including The City of Calgary. There were 347 FOIP requests in 2014 and an effective workflow process should be in place to ensure The City's FOIP obligations are met.

The FOIP Office is generally effective in meeting the needs of external stakeholders with 96.7% of FOIP requests closed within legislated time frames during 2014. We also identified areas where the FOIP process controls can be strengthened to provide a consistently collaborative relationship between the FOIP Office and City Administration. Providing a consistent experience and an increased level of communication will improve overall knowledge, understanding, and efficiency amongst employees involved in FOIP requests.

## 7. Calgary Housing Company Asset Management Audit

Calgary Housing Company (CHC) is a City of Calgary owned corporation providing safe and affordable housing solutions to citizens of Calgary since 1978. In 2014, 55% of CHC-owned properties will be over 35 years old so ensuring adequate asset management practices are in place is a high priority.

We assessed the effectiveness of CHC's asset management program for CHC-owned properties based on leading practices in asset management including the ISO 55000 series<sup>1</sup> and The City's Corporate Asset Management Program. Overall we determined CHC is in the early stages of asset management program implementation for CHC-owned properties and provided recommendations to further advance overall effectiveness.



## 8. Exempt Employee Time Reporting Audit

Accurate time recording helps ensure that employees are properly rested in compliance with labour law, and prevents financial losses to The City through inappropriate payouts of unused vacation time. The audit objective was to determine if internal controls existed and operated effectively during 2014 to ensure exempt employees accurately record vacation time taken and support compliance with legal and policy requirements.

Data analysis of 2014 vacation data indicated exempt employees in general were recording vacation close to entitlements defined in policy, above legal minimums and within amounts that could be reasonably expected to be earned. Furthermore, we found that a suite of controls were adequately designed to provide reasonable assurance of accurate vacation records. The operating effectiveness of individual controls varied, as many controls were people based. This variation is reflected in

### **Adding Value: Exempt Employee Time Reporting Audit**

"Today the relationship [with the City Auditor's Office] is so much more collaborative with the common goal of looking at "how we can do things better"....." – Audit Survey, Manager, HR Support Services

HR used an audit recommendation as impetus for a City-wide campaign raising awareness of payroll training available to managers. This has contributed to raised awareness and understanding of the importance of timely vacation approvals, and, as a result, a reduction in time spent by Payroll Services retrospectively obtaining approval from managers.

<sup>1</sup> ISO 55000, ISO55001, and ISO55002 are international standards covering management of any asset type, yet recognizing the particular applicability to the management of physical assets.

five instances, which were not widespread, when employees did not take a minimum amount of vacation in a manner consistent with Alberta Employment Standards during 2014, and 2013 or 2012.

#### 9. Contract Procurement – Request for Tenders Process Efficiency Audit

Procurement activities represent a major share of The City's expenditures with approximately \$1 billion in purchase orders being processed in 2014. Without an efficient contract procurement process, it becomes more challenging to deliver capital projects on time and on budget. The Supply division's goal is to achieve a request for tenders (RFT) cycle-time of 100 days by 2018. The objective of this audit was to evaluate the efficiency of the contract procurement process which supports key capital projects.

The audit focused on the Request for Tender (RFT) process as it is used for the purchase of high value (greater than \$200,000) or high risk goods and services when requirements and specifications require clear definition. The audit was designed to identify process improvement opportunities to improve RFT cycle time since a streamlined RFT process ensures timely and appropriate award of contracts. Seven recommendations were raised to improve RFT cycle time in the areas of process automation, collaboration, template and guidance review, cycle time and monitoring, and project prioritization.

#### **Adding Value – Contract Procurement - Request for Tenders Process Efficiency Audit**

##### **“Supply Management: improving the procurement process**

To accelerate the cycle time when The City goes to market, Supply recently requested the City Auditor's Office to conduct a Continuous Improvement Audit to explore opportunities for improvement. The audit recommendations have resulted in key changes to the procurement process, including internal alignment of Supply staff in City departments and optional concurrent procurement meetings on major projects (greater than \$5M).”

– December News for The City's Project Management Community

#### 10. New Calgary Central Library Audit

Calgary's New Central Library (NCL) is currently under construction with a budget of \$245 million and targeted completion by Q4 2018. Effective project management within a robust governance framework is key to ensuring risks, costs, timelines, and quality are appropriately managed.

A robust project governance framework has been established for the NCL which includes ongoing oversight from a steering committee that monitors risks, project status, and approves key decisions. We assessed all of the project management key areas and observed the foundations of an effective project management framework have been established. We identified five areas where project controls were missing or required





enhancement, however, since the NCL project was still in the early days of construction, they did not represent a significant risk at that point in time. Nonetheless, it is important that these controls are implemented on a timely basis as once construction commences on the building, project expenditure accelerates and timelines become more constrained.

## Advisory Services Provided

Advisory activities are intended to add value and improve The City's governance, risk management, and control process without the City Auditor's Office assuming management responsibility. The scope of work completed is agreed with the client. During 2015 we supported The City through a number of activities supporting both City Administration and Council which included:

- Consultation with City Administration to review current policies and best practices regarding use and expensing of alcohol for all city employees (report provided to Priorities and Finance Committee);
- Review of current Environmental & Safety policies as part of a Management Policy Review Project; and
- Advisory support to The City's revision of the Project Management Policy, and The City's IT Open Source Strategy.

## Recommendations and Follow-up

There are 96 recommendations with outstanding action plans at year end (See Appendix B for details). Of these, 64 are pending audit review (i.e. are not due per agreed-upon commitment dates) and 32 are in-progress (i.e. incomplete and are being tracked with a revised implementation date). We will be following up on 37 recommendations in Q1 2016 with action plan implementation dates on or before December 31, 2015.

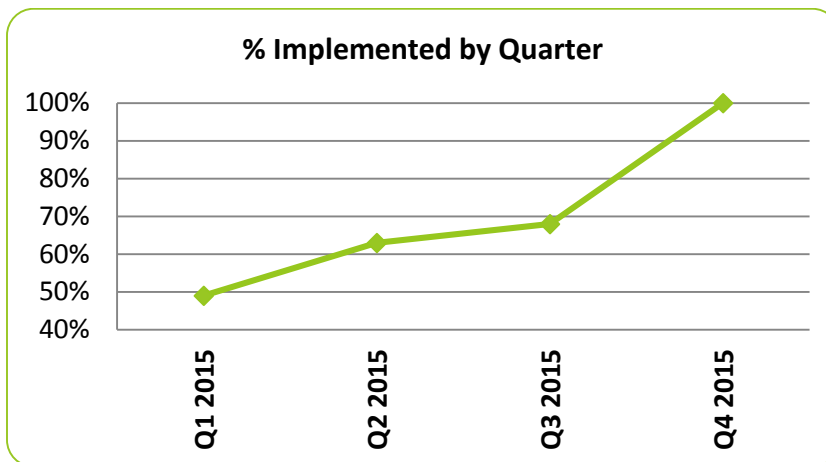
Recommendation turnover for the year is illustrated in the following chart:

2015 Recommendation Turnover						
Status	Opening- Jan. 1, 2015	Revised Date Required	Reported in 2015	Closed- Risk Mitigated	Closed- Risk Accepted	Ending- Dec. 31, 2015
Pending	55	(19)	88	(54)	(6)	64
In-Progress	39	19		(23)	(3)	32
<b>Total</b>	<b>94</b>	<b>0</b>	<b>88</b>	<b>(77)</b>	<b>(9)</b>	<b>96</b>

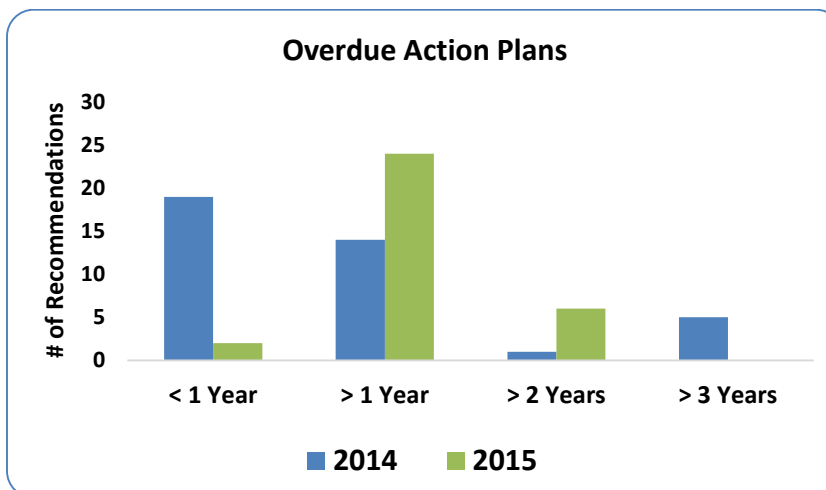
Continuing with the ongoing follow-up process initiated in 2014, the City Auditor's Office expanded the use of audit software to gain further efficiencies in recording recommendations and tracking outstanding action plans. Administration now has real-time access to view recommendation status and provide updates.

We believe that improvements to the follow-up process influenced positive results in 2015. Of the 88 recommendations reported in 2015, 23 (26%) were closed in 2015, compared to 6 of 33 (18%) in 2014, and six of the 23 were closed in advance of the implementation date in the audit report. Additional positive results are provided in the charts below.

In Q4 2015 none of the 14 recommendations due during the period required an extended implementation date, which is a first since we changed to an ongoing approach.



At year end there were no action plans that were more than three years past their original commitment date compared to 5 at year-end 2014.





## 2.0 Effective Delivery of the Whistle-blower Program

The Whistle-blower Program (the “Program”) is operated under the direction of the City Auditor in accordance with the Whistle-blower Policy (the “Policy”) established by City Council in 2007 to reflect The City’s ongoing effort to support ethical, accountable, and transparent local government. The Program currently applies to Members of Council and Council staff, all City employees, managers, contractors, suppliers, agencies, and commissions over which Council has the authority to require that general policies be followed. It is anticipated that a new Integrity Commissioner position will be appointed in 2016, and at that time concerns related to Members of Council will be passed on for assessment by the Integrity Commissioner. Reports implicating Members of Council were assessed first to ensure applicability to the Program. Ward issues were passed on to the specific Council Ward for resolution, and remaining concerns were investigated in accordance with Policy. The Program procedures direct all whistle-blower reports involving any staff member of the City Auditor’s Office to be assessed independently by the Audit Committee Chair. The Program has received confirmation that any sensitive reports received in 2015 were appropriately assessed and are considered closed.

For all other matters, specific program procedures have been established to support reporting and investigation of allegations of waste and/or wrongdoing within the City of Calgary. Each whistle-blower report, regardless of the number of allegations made, results in a single corresponding file (“WBP File”) being opened. However, not every whistle-blower report results in an investigation. The Program received whistle-blower reports from employees and citizens pertaining to concerns regarding employees and/or operations in every department within City Administration. The wide range of Business Units of which concerns were raised is positively regarded as an indication of growing confidence in the Program and in how management responds to the Program’s findings and recommendations to improve processes.

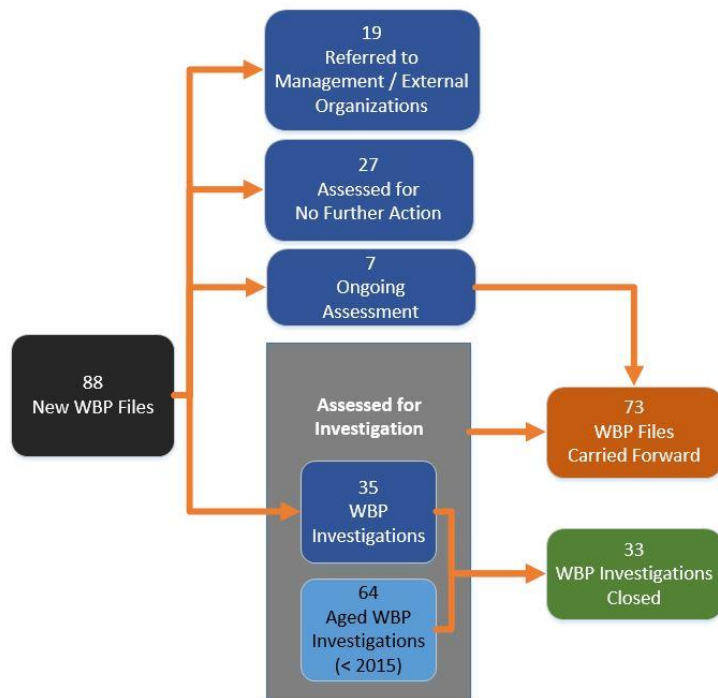
### Increased Volume and Investigation Activity

In 2015, the Program opened 88 new WBP Files resulting from allegations of waste and/or wrongdoing, including issues pertaining to the Code of Conduct, HR policies, Procurement and Purchasing policies, waste, or management/leadership concerns.

In 2015, the Program experienced a 49 percent increase in use by employees and citizens compared to the previous year. The additional activity was managed effectively through successful assessment, triage and action applied to more matters and the conclusion of more investigations. This is positively regarded as an indication that users of the Program are more aware of its purpose and intent as well as what constitutes waste and/or wrongdoing. Of the 88 WBP Files opened, 35 were assessed for investigation.

	2015	2014	Increase (%)
New WBP Files	88	59	49
WBP Files closed in reporting year	79	46	72
New WBP Investigations	35	34	3
Investigations closed during reporting year	33	24	38
Investigations closed (aged from prior years)	23	10	130
Open WBP Files carried forward	73	64	14

Increased resources were dedicated to support timely completion of outstanding WBP Files aged from prior years and prompt action on new WBP Files assessed as priority. At year end, 73 WBP Files remained open at various stages of completion – a minimal increase from the prior year reflective of the additional program activity and flux of available staffing.



Program procedures incorporate a consistent assessment of each whistle-blower report and allegation to determine the appropriateness of the concern being raised to the Program, and whether there is sufficient merit to the allegation to support investigation. Matters which are determined to not be whistle-blower matters are either closed outright or referred to City Administration to address as it deems appropriate from an administrative perspective.

The 33 WBP investigations concluded in 2015 resulted in six WBP Files with substantiated allegations of waste and/or wrongdoing. Details of those matters are provided in Appendix C.

## Program Enhancements

Two significant enhancements were made to the program during 2015. These enhancements consisted of a comprehensive decision tree as well as the establishment of an additional communications channel with senior members of Administration (Whistle-blower Program Oversight Group).

### The Decision Tree

To ensure compliance with the Policy direction requiring all reports be provided an appropriate investigation and resolution, the whistle-blower investigation team undertook an internal project to review and update the Program's procedures. The project produced a formalization of procedure guiding how whistle-blower reports are received, assessed, and further actioned, with appropriate consideration provided for policy procedure, existing practice, and best practices for processing whistle-blower matters.

**Whistle-blower Program Oversight Group**

Established to support the City Auditor and the City Manager in their responsibilities pertaining to the Program, this group meets bi-monthly to support improved governance on outcomes resulting from whistle-blower activity and investigations. The group is comprised of the City Auditor (Chairperson), City Manager, City Solicitor, Chief Security Officer, Chief Financial Officer and the Director, Human Resources. The group provides a forum for discussion and support of decision making regarding:

1. Preliminary outcomes on investigations that may require significant investment/resources.
2. Substantiated misappropriation and other outcomes that by significance require disclosure to Audit Committee and/or the External Auditor.
3. Other relevant items requiring the expertise/guidance of the Whistle-blower Oversight Committee (as determined by the City Auditor).

The group has advisory responsibilities and decision-making authority which is solely directed on corrective action, not on the determination of a substantiated report. The group provides advice and resource support to the City Auditor to ensure that significant substantiated allegations receive appropriate corrective action, thus limiting the opportunity for the concern to arise again, and that the City becomes better as a result.

Additional details regarding the general operation of the Whistle-blower Program are provided in Appendix D.

### 3.0 Effective Utilization of Resources

#### Budget

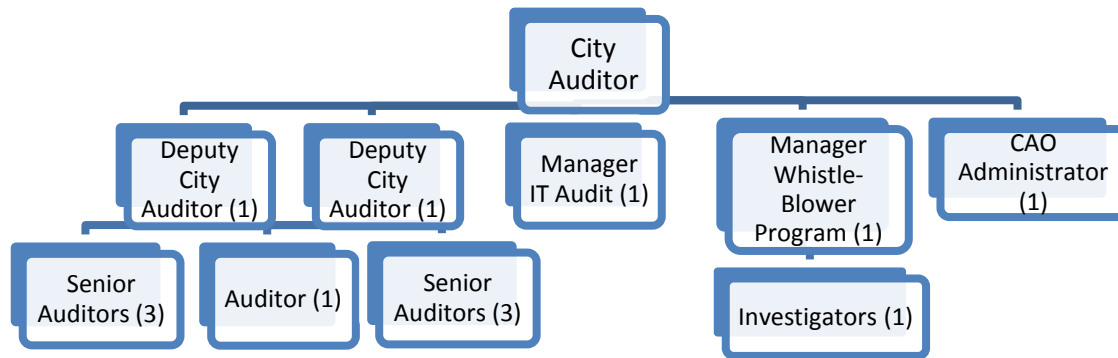
The City Auditor's Office strives to provide the highest level of independent and objective assurance, advisory and investigative services within Council-approved budget. Our approved 2015 annual budget, actual expenditures, variance to budget and comments are provided below. This budget includes costs associated with completing audit and advisory services, as well as costs associated with running the Whistle-blower Program.

	2015 Annual Budget (\$'000's)	Actual (\$'000's)	Variance (\$'000's)	Comments
<b>Salary</b>	\$2,256	\$1,959	\$297	Variance due to 2 Senior Auditor vacancies.
<b>Contracts</b>	\$50	\$221	-\$171	Variance due to outsourced audit and data analytic services.
<b>Training</b>	\$36	\$68	-\$32	
<b>Other</b>	\$118	\$127	-\$9	
<b>Total</b>	<b>\$2,460</b>	<b>\$2,375</b>	<b>\$85</b>	

The City Auditor's Office maintains funding within its budget to enable the office to hire subject matter experts to evaluate specialized risk areas or provide specific knowledge. During 2015 the City Auditor's Office engaged an audit contractor to complete an independent assessment of the City's Ethics Program (including the Whistle-blower Program) and utilized contract audit resources to assist with the completion of the Contract Procurement audit. The City Auditor's Office worked with an external expert in data analytics in Q4 developing continuous monitoring scripts that will be used in 2016 to perform desktop audits of key City controls.

## Staffing

The City Auditor's Office successfully accomplishes its achievement of objectives utilizing a mix of full-time, one-year term, and short term contracted employees. The following illustrates the current structure of the Office as at December 2015:



The City Auditor's Office completed seven of eight scheduled audits despite two vacant positions during Q3/Q4. We successfully recruited two Senior Auditors in Q4 2015 using an external search firm to generate the widest possible pool of qualified candidates. The City Auditor's Office initiated a recruitment process for an additional whistle-blower investigator, and for a secondment auditor position in Q1 2016. The secondment position provides an opportunity for the Office to gain further understanding of City operations, while sharing knowledge of risks, controls and governance.



## Professional Training & Contributions to Peer Community

The foundation of the City Auditor's Office is the professional skills and knowledge of the staff. To run effective audits, advisory projects and investigations, a range of complementary designations enhances the team's effectiveness. The value of the team is in the mix of designations, knowledge and experience held to provide effective advice and guidance. The City Auditor's Office is committed to supporting the ongoing professional development of its staff members through the sharing of expertise and cost effective training, including holding in-house training to reduce overall cost where feasible.

Currently our team operates with the expertise gained from the following professional organizations and certifications:



The City Auditor's Office conducts its audit activities in adherence with the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (*Standards*). The *Standards* require that an external quality assessment be conducted at least every five years. The last external quality assessment was completed in 2013 with an assurance rating of generally conforms, which is the highest rating provided by the IIA. The next external assessment is planned for 2017, in order to provide ongoing assurance to Council and Administration on the professional practice and quality of the City Auditor's Office.

The City Auditor's Office hosted a regional training event in conjunction with the Association of Local Government Auditors (ALGA) in October 2015. Topics covered included risk-based audit planning and data analytics. Organizing the event provided value for money training opportunities for team members, as well as creating networking opportunities with other public sector and not-for-profit auditors. One of our Senior Auditors sat on the ALGA Education Committee during 2015, and chaired the Sub-committee on Regional Training.

The audit team attended training offered by the Institute of Internal Audit on leading audits in Q4. As well as ensuring that the team are following current leading practices, the training provided an opportunity for the audit team to discuss internal processes and identify any opportunities for improvement in efficiency.

The City Auditor's Office was pleased to host a delegation of auditors from Gangwon, South Korea in December 2015. The delegation was visiting Calgary as part of a series of meetings with Government of Alberta and City of Edmonton to gain insight on government auditing best practices.

## Contributions to the Local Calgary Community

Employees of The City Auditor's Office volunteer time and personally support many initiatives that provide support to the local community. In 2015 we served lunch at The DI: Calgary Drop-In and Rehab Centre in downtown Calgary, supported the City's United Way campaign, the Big Bike ride for Heart and Stroke and undertook a team Christmas gift-buying drive to support Seniors Secret Service, a charity enhancing life for older Calgarians who have limited family support.



*The City Auditor's Office team with gifts to be donated to Seniors Secret Service*

## 4.0 Appendices

### Appendix A – Audits Conducted and Completed in 2015

#	Title	Description	Report Target	Status
1.	Ethics Program Assessment (AC2015-0560)	Complete an assessment of The City's Corporate Ethics Program as part of effective governance. Bylaw 48M2012 requires the Audit Committee to monitor the adequacy and effectiveness of corporate policies including code of conduct and conflict of interest.	Q1	Complete - Reported July
2.	Roads Business Unit Vehicle and Equipment Management Audit (AC2015-0450)	Complete an audit of systems and processes in place to manage timely maintenance and cost of vehicles utilized in the Roads Business Unit.	Q1	Complete - Reported May
3.	Sewer Capacity Management Processes Audit (AC2015-0146)	Complete an audit of The City's processes to manage sewer capacity risk.	Q1	Complete - Reported March
4.	Virtual Desktop Information Technology Audit (AC2015-0205)	Complete an audit of The City's virtual desktop Information Technology. This audit will further examine The City's initiatives to utilize virtual technology to support the achievement of Tomorrow's Workplace initiative.	Q1	Complete - Reported February
5.	Transportation Planning Audit Project Prioritization (AC2015-0561)	An audit examining effective prioritization of projects, which may include efficient utilization of consultant and external analysis.	Q3	Complete - Reported July
6.	Freedom of Information and Protection of Privacy Access Request Process Audit (AC2015-0892)	An audit evaluating the cost efficiency and process effectiveness of the FOIP response workflow.	Q4	Complete – Reported November



#	Title	Description	Report Target	Status
7.	Calgary Housing Company Asset Management Audit (AC2015-0762)	An audit on effective asset management processes, and utilization of housing units.	Q4	Complete – Reported October
8.	Exempt Employee Time Reporting Audit (AC2015-0708)	An audit using data analytics to assess effectiveness of computer and manual tools to support accurate exception time reporting for exempt employees.	Q3	Complete – Reported September
9.	Contract Procurement – Request for Tenders Process Efficiency Audit (AC2015-0558)	A horizontal audit to evaluate factors impacting timeliness of the contract procurement process.	Q3	Complete – Reported July
10.	New Calgary Central Library Audit (AC2015-0761)	An ongoing project management audit on the capital construction of the new Calgary Central Library.	Q4	Complete – Reported October

## Appendix B – In-Progress and Pending Audit Report Recommendations at December 31, 2015

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
1	Calgary Arts Development Authority Grant Program Audit (2012)	7b	CADA's President and CEO:  b) Develop a staff procedures manual.	6/30/2013	In-Progress
2	Technology Investment Governance Audit (2013)	5a	The City Auditor's Office recommends the Administrative Leadership Team:  a) Define and monitor Corporate technology outcomes and to provide information for the Corporation on the performance of technology investments.	6/30/2013	In-Progress
3	Corporate Technology Security - IT Network Access Security (2013)	1d	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	8/31/2013	In-Progress
4	PeopleSoft HCM Application Security (2013)	14	The City Auditor's Office recommends the Chief Information Technology Officer, in consultation with Corporate Security, risk assess the sensitive transmissions associated with the HCM application and implement encryption as necessary.	9/30/2013	In-Progress
5	Technology Investment Governance Audit (2013)	5b	The City Auditor's Office recommends the Administrative Leadership Team:  b) Clarify expectations regarding the recording and reporting for technology related costs throughout The City for technology governance and benchmarking purposes.	9/30/2013	In-Progress
6	Corporate Technology Security - IT Network	2	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	11/30/2013	In-Progress

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	Access Security (2013)				
7	Calgary Transit Overtime Management Audit (2013)	1b	The City Auditor's Office recommends that the Calgary Transit Director:  b) For the Fleet and Facilities divisions, develop and implement an annual workforce plan that is based on projected workforce requirements and forecasted workforce availability, estimating planned and unplanned leaves based on historical activity.	6/30/2014	In-Progress
8	Calgary Transit Overtime Management Audit (2013)	1c	The City Auditor's Office recommends that the Calgary Transit Director:  c) For all Transit divisions, search for opportunities to minimize the frequency and duration of S&A occurrences.	6/30/2014	In-Progress
9	Facility Utilization Audit (2014)	2	The City Manager direct the Administrative Leadership Team (ALT) to define the data that needs to be collected on a centralised basis to efficiently and effectively manage its facility portfolio at a corporate level. It should define roles and responsibilities for reporting the data, ensuring its quality and analyzing it to facilitate decision making on space utilization at a corporate level.	6/30/2014	In-Progress
10	PeopleSoft HCM Application Security (2013)	7	The City Auditor's Office recommends the Director of Human Resources initiate a review of the current HCM Security Model.	6/30/2014	In-Progress
11	Calgary Convention Centre Authority - Governance Framework Audit (2013)	1	Council improve the governance framework between Council and the Authority by directing Administration to work with the Authority to: <ul style="list-style-type: none"> <li>Establish and clearly define accountabilities with respect to specific outcomes, and roles and responsibilities. The ten principles outlined in the Framework of Principles for Governance Relationships with the City's wholly owned subsidiaries and current governance initiatives</li> </ul>	9/30/2014	In-Progress

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			<p>such as the Corporate Secretariat (e.g. model documents) should be considered.</p> <ul style="list-style-type: none"> <li>Update the Operating Agreement accordingly.</li> </ul>		
12	Calgary Convention Centre Authority - Governance Framework Audit (2013)	2	<p>Council direct Administration to improve the effectiveness of Council's oversight of the Authority by working with the Authority to:</p> <ul style="list-style-type: none"> <li>Review current reporting processes that support Council's oversight taking into account the observations in this report.</li> <li>Determine the appropriate process/processes for the Authority.</li> <li>Ensure that reporting processes include performance requirements, actual performance against goals, and information on the stewardship of The City's assets.</li> <li>Consider streamlining reporting processes by excluding the Authority from Civic Partner reporting and continuing to report annually to Audit Committee.</li> </ul>	9/30/2014	In-Progress
13	Virtual Server Security Audit (2014)	1i	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress
14	Virtual Server Security Audit (2014)	1ii	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress
15	Virtual Server Security Audit (2014)	1iii	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress
16	Virtual Server Security Audit (2014)	2i	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress
17	Virtual Server Security Audit (2014)	2ii	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress

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18	Virtual Server Security Audit (2014)	2iii	Due to the nature of this audit, the report was presented confidentially to Audit Committee. As such, no further information can be provided.	9/30/2014	In-Progress
19	Calgary Arts Development Authority Grant Program Audit (2012)	1a	The General Manager of Community Services and Protective Services action/coordinate: a) The review and update of the Civic Arts Policy in collaboration with CADA and other stakeholders.	12/31/2014	In-Progress
20	Integrated Risk Management Audit (2014)	1a	In order to broaden the communication and access by risk owners and internal stakeholders to principal corporate risks identified by ALT, the CMO should formalize IRM guidelines to include the mechanics of providing this information on a regular basis.	12/31/2014	In-Progress
21	Integrated Risk Management Audit (2014)	1b	In order to broaden the communication and access by risk owners and internal stakeholders to principal corporate risks identified by ALT, the CMO should formalize IRM guidelines to include the mechanics of providing this information on a regular basis.	12/31/2014	In-Progress
22	Integrated Risk Management Audit (2014)	2a	The CMO should establish an enhanced process for risk owners to provide more frequent and comprehensive reporting on the status of principal corporate risks and risk management strategies. The CMO should update IRM guidelines to include procedures for risk owners to report risk management information to ALT on a regular basis for monitoring and guidance purposes.	12/31/2014	In-Progress
23	Integrated Risk Management Audit (2014)	2b	The CMO should establish an enhanced process for risk owners to provide more frequent and comprehensive reporting on the status of principal corporate risks and risk management strategies. The CMO should update IRM guidelines to include procedures for risk owners to report risk management information to ALT on a regular basis for monitoring and guidance purposes.	12/31/2014	In-Progress

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
24	Integrated Risk Management Audit (2014)	3a	To enhance risk identification and assessment, and to better integrate risk management across the organization, the CMO should develop strategies, such as the creation of a periodic forum to engage all departments in cross-departmental discussions of Departmental Risk Registers.	12/31/2014	In-Progress
25	Integrated Risk Management Audit (2014)	3b	To enhance risk identification and assessment, and to better integrate risk management across the organization, the CMO should develop strategies, such as the creation of a periodic forum to engage all departments in cross-departmental discussions of Departmental Risk Registers.	12/31/2014	In-Progress
26	Integrated Risk Management Audit (2014)	4a	The CMO should clarify and articulate the IRM program goals and establish reasonable performance indicators or measures for the program.	12/31/2014	In-Progress
27	Integrated Risk Management Audit (2014)	4b	The CMO should clarify and articulate the IRM program goals and establish reasonable performance indicators or measures for the program.	12/31/2014	In-Progress
28	PeopleSoft HCM Application Security (2013)	9	The City Auditor's Office recommends the Chief Information Technology Officer modify the Remedy access request forms to provide requestors a list of roles to select from that are in accordance with the revised security model.	12/31/2014	In-Progress
29	PeopleSoft HCM Application Security (2013)	11	The City Auditor's Office recommends the Director of Human Resources, in consultation with Information Technology, develops a risk based process for conducting PeopleSoft Human Capital Management access reviews on a periodic basis.	12/31/2014	In-Progress
30	PeopleSoft HCM Application Security (2013)	13	The City Auditor's Office recommends the Director of Human Resources, supported by Information Technology and Corporate Security, initiate a review of the data subject to logging.	12/31/2014	In-Progress
31	Flood Recovery Expenditure Audit (2014)	8a	We recommend that the Director, Infrastructure & Information Service investigate implementing	5/31/2015	In-Progress

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			corporate project management guidelines and templates for disaster events.		
32	Flood Recovery Expenditure Audit (2014)	8b	We recommend that the Director, Infrastructure & Information Service investigate implementing corporate project management guidelines and templates for disaster events.	5/31/2015	In-Progress
33	Roads Business Unit Vehicle and Equipment Management Audit (2015)	5	Fleet Services: <ul style="list-style-type: none"> <li>Collaborate with Roads to review Key Performance Indicators and develop measures that are relevant, reliable and achievable.</li> <li>Review and refine Key Performance Indicators periodically (i.e. semi-annually, or annually).</li> <li>Monitor results, follow-up and take corrective action when variances are identified.</li> </ul>	6/30/2015	Pending
34	Roads Business Unit Vehicle and Equipment Management Audit (2015)	7	Fleet Services and Roads: <ul style="list-style-type: none"> <li>Incorporate relevant parts of recommendations 1-6 in the 2015-2018 Partnership Agreement.</li> <li>Ensure Quality Control Inspection expectations are outlined in the Partnership Agreement and align with Roads' service level requirements (i.e. critical units and availability).</li> <li>Define Fleet Services' and Roads' benefits and obligations in the Partnership Agreement.</li> <li>Incorporate a mechanism for periodic review and evaluation of performance.</li> <li>Include provisions in the partnership agreement to annually review and update the agreement as needed.</li> </ul>	6/30/2015	Pending
35	Virtual Desktop Information Technology (2015)	6	IT should perform load testing to assess the performance and capacity of the VDI infrastructure. Results of this load testing, along with business requirements, should be incorporated into a documented capacity plan. In addition, establish a process for reviewing the capacity plan on a regular basis.	10/31/2015	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
36	Virtual Desktop Information Technology (2015)	7	IT should document VDI service level options in the IT services catalogue. These service levels capture availability, continuity, security and compliance requirements.	11/30/2015	Pending
37	Exempt Employee Time Reporting (2015)	1	Labour Relations revise Administration's Policy on Compensation (HR-TR-004) to: <ul style="list-style-type: none"> <li>State explicitly that payout of vacation cannot be made where legislative minimum vacation has not been met, without exception.</li> <li>Require documentation for payouts made under this policy (where legislative minimum vacation has been met) indicating the policy provision the payout has been approved under.</li> </ul>	12/31/2015	Pending
38	Exempt Employee Time Reporting (2015)	2	Labour Relations revise the Exempt Staff Policy to recommend exempt employees to take a minimum amount of planned (rearranged work week days, compressed work week days, vacation) consecutive time off on an annual basis.	12/31/2015	Pending
39	FOIP Workflow Process (2015)	1	The FOIP Coordinator establish: <ul style="list-style-type: none"> <li>A process to support early identification of potentially contentious and/or significant access requests.</li> <li>A comprehensive review process, prior to the final release, of potentially contentious and/or significant access requests.</li> </ul>	12/31/2015	Pending
40	FOIP Workflow Process (2015)	2	The FOIP Coordinator enhance the FOIP access request process to report significant and/or contentious access requests to the City Clerk.	12/31/2015	Pending
41	Contract Procurement (2015)	3	Supply to conduct a workload analysis to align resources with business units and to reassess periodically as business needs change.	12/31/2015	Pending
42	Roads Business Unit Vehicle and Equipment Management Audit (2015)	3b	Roads review and monitor utilization reports and include the following in their process: <p>b) Incorporate utilization information in vehicle management decision-making to support a fully</p>	12/31/2015	Pending



#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
			utilized fleet, i.e. rotating vehicles between districts and divisions as necessary.		
43	Roads Business Unit Vehicle and Equipment Management Audit (2015)	6	<p>Fleet Services' quality control processes and procedures include:</p> <ul style="list-style-type: none"> <li>Monitoring Quality Control Inspections for compliance with Fleet Services' procedure.</li> <li>Other considerations (i.e. increasing Quality Control Inspections of critical units and classes with a high incidence of breakdown) before finalizing the new process.</li> </ul>	12/31/2015	Pending
44	City of Calgary Ethics Program Assessment (2015)	13	Review the current approach to Whistle-blower awareness and training and consider enhancing any existing activities to increase the profile of the Whistle-blower program.	12/31/2015	Pending
45	City of Calgary Ethics Program Assessment (2015)	15	<p>We recommend a review of the Whistle-blower policy and processes be completed and the following updates be made:</p> <ul style="list-style-type: none"> <li>Develop clear guidelines / minimum requirements for information that has to be provided to support the investigation process (e.g., mandatory fields / checklists, etc.).</li> <li>Develop a communications / awareness campaign that educates employees and the public on the types of issues / reports appropriate for the Whistle-blower program. This could be in the form of a FAQ attached to the Whistle-blower policy with examples of both appropriate and inappropriate reports, and/or other campaign initiatives.</li> </ul>	12/31/2015	Pending
46	City of Calgary Ethics Program Assessment (2015)	18	Review and finalize the draft procedures then apply the prescribed investigation process to all future investigations to ensure all relevant steps are completed which will increase the consistency of future investigations. Consider including a description of these steps on the Whistle-blower website as part of the training /awareness for all interested parties to review.	12/31/2015	Pending

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47	City of Calgary Ethics Program Assessment (2015)	20	Develop and implement a defined mechanism for the City Auditor to engage with the City Manager and other senior management regarding the Whistle-blower program (e.g., establish an “executive review team” that meets quarterly). The agenda for these meetings could include discussion of identified issues that significantly impact the organization, collaborative solution design for outstanding issues, outstanding investigations undertaken by administration, and ongoing reporting of metrics / trends.	12/31/2015	Pending
48	New Calgary Central Library (2015)	1	<p>The General Manager, CS&amp;PS, recommends that the NCL Steering Committee implement project performance monitoring by:</p> <ul style="list-style-type: none"> <li>Formalizing performance measurements (e.g. earned value management) to accurately monitor project performance for costs and schedule.</li> <li>Preparing detailed cash flows which would allow accurate tracking of planned vs. actual results.</li> <li>Calculating and reporting on performance measures on a regular basis.</li> </ul>	2/17/2016	Pending
49	New Calgary Central Library (2015)	4	The General Manager, CS&PS, recommends that the NCL Steering Committee review the risk register to ensure all categories of risk have been considered.	2/17/2016	Pending
50	New Calgary Central Library (2015)	3	The General Manager, CS&PS, recommends that the NCL Steering Committee ensure there are consistent processes for communication in place and that the right stakeholders are receiving timely and relevant communication.	2/17/2016	Pending
51	New Calgary Central Library (2015)	5	<p>The General Manager, CS&amp;PS, recommends that the NCL Steering Committee:</p> <ul style="list-style-type: none"> <li>Determine a risk owner and response/mitigation strategy for all key risks on the risk register.</li> </ul>	2/17/2016	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
			<ul style="list-style-type: none"> <li>Ensure that there is consistent understanding of the risk assessment scoring process.</li> </ul>		
52	New Calgary Central Library (2015)	2	<p>The General Manager, CS&amp;PS, recommends that the NCL Steering Committee implement a benefits realization plan by:</p> <ul style="list-style-type: none"> <li>Articulating, consolidating and summarizing the quantifiable project benefits.</li> <li>Assigning responsibility and accountability for benefits realization post construction.</li> </ul>	2/17/2016	Pending
53	Contract Procurement (2015)	4	<p>Supply to utilize existing cycle time data collected to conduct ongoing data analysis by establishing:</p> <ul style="list-style-type: none"> <li>A process to analyze available cycle time data above the threshold of 100 days of cycle time (Supply's KPI target by 2018) to identify process improvement opportunities.</li> <li>A process for monitoring any significant delays in the RFT cycle as they occur so that prompt action can be taken.</li> </ul>	3/31/2016	Pending
54	Contract Procurement (2015)	7	Administration discussion of options to further minimize resource constraints, such as workload analysis and project prioritization, with key stakeholders.	3/31/2016	Pending
55	City of Calgary Ethics Program Assessment (2015)	11	Develop written documentation regarding the responsibilities of the City Manager's Office versus Human Resources for ongoing training / awareness of the Code of Conduct throughout the entire organization. Consider assigning a "Program Coordinator" role with defined responsibility for the overall development, implementation, maintenance, and awareness of the Code of Conduct.	3/31/2016	Pending
56	City of Calgary Ethics Program Assessment (2015)	12	Review the City's current performance management program and consider updating it to include requirements related to the Code of Conduct as part of employee's baseline performance objectives.	3/31/2016	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
57	City of Calgary Ethics Program Assessment (2015)	3	Consider establishing Code of Conduct awareness training for all AC member as part of their orientation process so they are aware of the Code requirements for City employees. In addition, the Code awareness training should be recommended training for other members of Council.	3/31/2016	Pending
58	City of Calgary Ethics Program Assessment (2015)	4a	We recommend a review of all relevant policies and bylaws be undertaken in order to: Confirm if the Code of Conduct currently applies to members of Council and/or their staff. As part of this review, Council can consider the appropriateness of adopting any policies that do not currently apply to Councillors and/or their staff members.	3/31/2016	Pending
59	Exempt Employee Time Reporting (2015)	4	Pay Services redesign the leave accrual sign off process by: <ul style="list-style-type: none"> <li>Reviewing the scope of the control, potentially excluding groups of employees subject to strong positive time reporting controls.</li> <li>Establishing a process to report on and action non-compliance.</li> </ul>	4/30/2016	Pending
60	FOIP Workflow Process (2015)	4	The FOIP Coordinator implement a process to: <ul style="list-style-type: none"> <li>Acknowledge receipt of Business Unit concern.</li> <li>Document and communicate the decision regarding Business Unit concerns.</li> </ul>	4/30/2016	Pending
61	Contract Procurement (2015)	1	Supply to: <ul style="list-style-type: none"> <li>Identify non value-added components of the procurement process.</li> <li>Reduce or eliminate non value-add components as necessary.</li> <li>Work with Information Technology to identify options to automate process components with the goal to reduce manual RFT workflow.</li> </ul>	6/30/2016	Pending
62	City of Calgary Ethics Program Assessment (2015)	9	Consider reviewing the bid process for City RFPs and/or projects and include a requirement for bidders to disclose their employment status (e.g., if they are a City of Calgary employee).	6/30/2016	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
63	City of Calgary Ethics Program Assessment (2015)	4b	We recommend a review of all relevant policies and bylaws be undertaken in order to: Clearly communicate and articulate which policies (including the Code of Conduct) apply to individuals employed outside of the City's Administration including any training requirements for Council members and staffers to support their responsibilities.	6/30/2016	Pending
64	Transportation Planning (2015)	1a	Transportation Planning (2015) create a portfolio management plan setting out how projects are identified, prioritized and optimized in the portfolio. Prioritization processes should include documentation setting out how projects in every category are to be evaluated, under what circumstances, and how funding is to be aligned to prioritization.	7/31/2016	Pending
65	FOIP Workflow Process (2015)	6	The FOIP Coordinator improve availability to view all final release documents by investigating suitable electronic means.	9/30/2016	Pending
66	FOIP Workflow Process (2015)	5	The FOIP Coordinator improve processes to view final release documents including inviting BUs to view the final release documents (with the option to decline) before the documents are released.	9/30/2016	Pending
67	Calgary Housing Company (2015)	6	The Infrastructure and Asset Manager assign responsibility to maintain the asset data in the Asset Registry to ensure the data remains current and accurate.	9/30/2016	Pending
68	Calgary Housing Company (2015)	7	The Infrastructure and Asset Manager implement internal controls to protect the security and integrity of the data.	9/30/2016	Pending
69	City of Calgary Ethics Program Assessment (2015)	7	Establish a process that requires all policies to be reviewed and updated (if required) on an annual basis. Evidence of review should be retained and policies should reflect the new "next revision" date.	9/30/2016	Pending

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70	Calgary Housing Company (2015)	3	CHC Director expand the identification of key risks related to asset management and develop appropriate mitigation strategies.	12/30/2016	Pending
71	Calgary Housing Company (2015)	8	Once the Strategic Asset Management Plan and Asset Management Program have been developed, the Director review the current organization structure and establish and communicate the responsibilities and accountabilities of staff involved in asset management activities.	12/30/2016	Pending
72	Calgary Housing Company (2015)	10	The Director confirm, with The City, Calgary Housing Company's asset management roles and responsibilities as they pertain to City-owned property, and adjust supporting documentation accordingly.	12/30/2016	Pending
73	Calgary Housing Company (2015)	2	The Director establish an Asset Management Policy that aligns with long-term organizational asset management objectives and sets-out expectations for decisions, activities and behaviour.	12/30/2016	Pending
74	Calgary Housing Company (2015)	1	The Director develop, document, and communicate a Strategic Asset Management Plan that includes asset management objectives that align and support the organization's objectives.	12/30/2016	Pending
75	Roads Business Unit Vehicle and Equipment Management Audit (2015)	1b	Fleet Services ensure greater accuracy and completeness of the data in the Utilization Report by providing procedural training to staff responsible for inputting unit usage and increasing awareness on the importance of reporting accurate usage information at the fuel pumps and in work orders.	12/30/2016	Pending
76	Roads Business Unit Vehicle and Equipment Management Audit (2015)	4	Fleet Services collaborate with Roads to: <ul style="list-style-type: none"> <li>Define thresholds or targets of usage for each unit class in order to define and identify under-utilization and over-utilization.</li> <li>At regular intervals, review and adjust the unit class thresholds or targets.</li> <li>Periodically assess useful life by unit class with the purpose of maximizing useful life while</li> </ul>	12/30/2016	Pending

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			<p>giving consideration to the cost-benefit of replacing versus repairing aged units.</p> <ul style="list-style-type: none"> <li>At regular intervals, review the class' useful life to ensure usage thresholds are meeting expectations with respect to anticipated repair and maintenance costs, and adjust when appropriate.</li> </ul>		
77	Exempt Employee Time Reporting (2015)	6	Human Resources prepare a business case to determine the feasibility of moving all exempt employees to a common vacation base date.	12/31/2016	Pending
78	Exempt Employee Time Reporting (2015)	9	Human Resources evaluate additional functionality as part of the scope of the next PeopleSoft upgrade to reduce or eliminate manual follow up of mass approved vacation.	12/31/2016	Pending
79	FOIP Workflow Process (2015)	3	The FOIP Coordinator review and update current guidance on the selection and responsibilities of FOIP Program Administrators and Alternates and communicate the updates to Business Unit Directors.	12/31/2016	Pending
80	Contract Procurement (2015)	5	Supply to review and revise RFT templates (including Standard General Conditions, and Guidelines for the Preparation of Tender Documents) in consultation with Law, and consider the option of additional locked-in template wording to accelerate the RFT review and approval process.	12/31/2016	Pending
81	Contract Procurement (2015)	6	Supply to review and revise RFT process flow charts, related policies, and metrics, and to provide associated training to stakeholders in the RFT process where required.	12/31/2016	Pending
82	City of Calgary Ethics Program Assessment (2015)	5	We recommend that an initiative be established to thoroughly review all of the relevant policies and related documents that support the Code, including other related / supporting policies, to identify any conflicting requirements and to streamline the policies / documents where possible to increase understandability and reduce complexity. In addition, the City should establish a process whereby the policies that make up and support the	3/31/2017	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
			Code of Conduct be assessed on a periodic basis to ensure they continue to be relevant and meet the needs of the organization's current environment.		
83	City of Calgary Ethics Program Assessment (2015)	8	Unify the criteria for reporting alleged Code violations in all Code policies and the Whistle-blower program. Publish and communicate the unified reporting criteria for alleged violations in all Code policies, the Whistle-blower program literature, and in all future engagement campaigns related to the Code and the Whistle-blower program.	3/31/2017	Pending
84	Calgary Housing Company (2015)	9	Once the Strategic Asset Management Plan and Asset Management Program have been developed, the Director integrate asset management activities into the organization's processes and procedures including Finance and Procurement.	6/30/2017	Pending
85	Calgary Housing Company (2015)	5	The Infrastructure and Asset Manager include hazardous substances and disposal or demolition costs in the lifecycle analysis component of the Asset Registry.	6/30/2017	Pending
86	Calgary Housing Company (2015)	4	Once the Strategic Asset Management Plan has been developed, the Director develop an Asset Management Program. The Program should outline the short and long-term asset management activities of the organization that will ensure achievement of the objectives set out in the Strategic Asset Management Plan.	6/30/2017	Pending
87	City of Calgary Ethics Program Assessment (2015)	1	We recommend that, at a minimum, all new employees be required to "sign off" on the Code when they begin employment. In the future, existing employees should receive an annual communication reminding them of their Code responsibilities (including a link to the most recent Code policies) along with a requirement to renew their acknowledgement and acceptance of the Code.	6/30/2017	Pending



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88	City of Calgary Ethics Program Assessment (2015)	10	Develop a mechanism to monitor and report on Code of Conduct violations / investigations and report regularly to City Manager / Senior Management.	6/30/2017	Pending
89	City of Calgary Ethics Program Assessment (2015)	6	Consider adding a guideline to the overall Code of Conduct summary policy that articulates the principles and high-level process used to investigate all Code violations for all policies.	6/30/2017	Pending
90	Transportation Planning (2015)	1b	Transportation Planning (2015) create a portfolio management plan setting out how projects are identified, prioritized and optimized in the portfolio. Prioritization processes should include documentation setting out how projects in every category are to be evaluated, under what circumstances, and how funding is to be aligned to prioritization.	7/31/2017	Pending
91	Transportation Planning (2015)	2	Transportation Planning (2015) revise the IIM evaluation and prioritization process to include a cost-benefit analysis to support Council's value for money priority and Administration's commitment to emphasize return on investment.	7/31/2017	Pending
92	Transportation Planning (2015)	3	Transportation Planning (2015) revise the prioritization criteria to include operating costs and greenhouse gas emissions to ensure full alignment with The City's strategic plans.	7/31/2017	Pending
93	Transportation Planning (2015)	4	Transportation Planning (2015) replace qualitative prioritization criteria (Increase Travel Time Advantage, and Contributes to Lifecycle Maintenance and Asset Management) with quantitative criteria developed for cost-benefit analysis in future prioritization exercises.	7/31/2017	Pending
94	Calgary Housing Company (2015)	11	The Director confirm, with the Province, Calgary Housing Company's asset management roles and responsibilities as they pertain to Provincially-owned property, and adjust supporting documentation accordingly.	12/30/2017	Pending

#	Audit Report Title and Year	Rec. #	Recommendation	Original Action Plan Date	Rec. Status
95	City of Calgary Ethics Program Assessment (2015)	2	<p>Consider developing and implementing a Code training program that includes:</p> <ul style="list-style-type: none"> <li>• A stand-alone induction course on the Code of Conduct for new employees and for the specific employees that hold accountability and leadership responsibilities related to it. Include “final exam” testing as part of the course to confirm employee’s basic knowledge of their responsibilities.</li> <li>• Update annually or every 2 years – a refresh course to reflect changes to the Code which is required for all employees.</li> <li>• Training material for the induction and refresh course should include specific case studies or examples that are provided in support of the Code policies and requirements.</li> <li>• Establish a tracking mechanism to ensure all employees and relevant contractors complete the training. We recommend a review of the current documentation to support the Code to determine if further guidelines or updates are required in order to provide further clarification on application. Review the location of all Code material and information to ensure it is easily accessible to all employees and contractors.</li> </ul>	12/31/2017	Pending
96	Transportation Planning (2015)	1c	Transportation Planning (2015) create a portfolio management plan setting out how projects are identified, prioritized and optimized in the portfolio. Prioritization processes should include documentation setting out how projects in every category are to be evaluated, under what circumstances, and how funding is to be aligned to prioritization.	4/30/2018	Pending

## Appendix C – Substantiated Whistle-blower Program Investigation Results

#	Year Rec'd	Nature of Concern	Conclusion	Action
1	2011	Wrongful termination	Although the employee was not found to have been wrongfully terminated, findings substantiated certain allegations implicating non-compliance with the Employment Policy (HR-031) in relation to the termination of employment.	Findings were provided to management to support reinforcement of policy requirements.
2	2014	Disrespectful behaviour in the workplace.	Substantiated violation of Respectful Workplace (HR-LR-001) policy. Findings also identified non-compliance with Business Unit procedure.	Management and Human Resources provided employee with Respectful Workplace policy education. Management further coached the employee on the requirement to have relief staff cover all absences.
3	2014	Wrongful Termination	Although wrongful termination was not substantiated, findings did support a breach of corporate guidelines as they relate to the probationary / permanency review process.	Management and Human Resources coached the Team Leader on how to improve communication of performance expectations and consequences to employees.
4	2015	Failure to comply with City employment competition procedures during selection of successful candidate	Substantiated allegation and identified that required procedures related to hiring and competitions were not applied.	Additional coaching was provided to the Hiring supervisor involved and in future will be required to consult with Human Resources on proposed hiring decisions prior to advancing to next steps in recruitment process. In addition, Management conducted a review of the screening applicant section of myCity to ensure it adequately supports hiring teams in correctly assessing minimum qualifications.

#	Year Rec'd	Nature of Concern	Conclusion	Action
5	2015	Conflict of interest whereby an employee was utilizing City resources to manage private business interests	Substantiated breach of Acceptable Use of City Technology Resources (IM-IT-002) policy and non-compliance of Conflict of Interest (HR-LR-004) policy.	Findings provided to management and management actions are underway.
6	2015	Inappropriate code of conduct whereby an employee inappropriately posted images of information collected during employment to personal social networks	Substantiated violation of Freedom of Information and Protection of Privacy Act. Substantiated violation of Acceptable Use of City Technology Resources (IM-IT-002) policy	FOIP violation forwarded to City FOIP Officer for review. Management reviewed incident with employee who acknowledged error in judgment.

## Appendix D – Whistle-blower Program

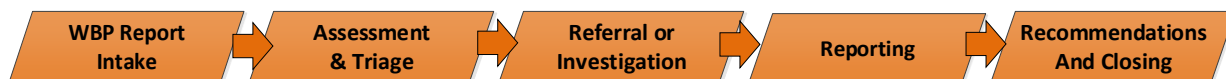
### Overview

The Program provides an independent channel within the City Auditor's Office to ensure all whistle-blower concerns raised in good faith are objectively reviewed, provided an appropriate investigation, and actioned without reprisal.

All information received by the Program is considered confidential and the identity of the reporter is protected to the extent possible. Due to the sensitive and personal nature of information collected, specific details of whistle-blower investigations are disclosed only on a need-to-know basis. Reporter protection is extended to any City employee meeting the requirements of the definition of "Reporter" as defined in the Policy and is provided in two areas: confidentiality and reprisal for allegations made in good faith. Protection against reprisal cannot be provided to anonymous reporters as their identity is unknown to the Program. Employees who believe they are subject to reprisal resulting from information they provide to the Program should contact the City Auditor. In addition, management is required to advise the City Auditor of any possible reprisals. Any allegations of reprisal brought to the attention of the City Auditor are immediately investigated and, where substantiated, referred to the City Manager for disciplinary action.

### Process Flow

All Whistle-blower Program reports ("WBP Reports") are subjected to a consistent process which ensures each report is assessed in an unbiased manner based on the information provided by the reporter. Each report goes through a consistent intake, assessment and triage process. Depending on the nature of the concern, the concern may then be referred or directly investigated. All investigations completed conclude with a report and, where appropriate, corrective action recommendations. Corrective action recommendations focus on ensuring processes are in place to deter reoccurrence and are aligned with the Code of Conduct.



### WBP Report Intake

In 2015, the Program continued to provide multiple intake channels for Reports to be submitted either indirectly via an independent service provider, or directly by mail, facsimile, email or telephone. Our external service provider remains ClearView Connects, which supports anonymous reporting while still providing a communication channel to request additional information from the reporter as needed.

External Service Provider:	ClearView Connects www.ClearViewconnects.com 1-866-505-5039
Email:	whistle@calgary.ca
Mail:	Whistle-blower Program City Auditor's Office The City of Calgary, #8005 P.O. Box 2100, Postal Station M Calgary, Alberta T2P 2M5
Facsimile:	(403) 268-1558
Telephone:	(403) 268-3282

## Assessment & Triage

The Program assesses every whistle-blower report for meeting the requirements of a whistle-blower concern, including whether sufficient information has been provided to initiate investigation of the allegation.

Anyone filing a report must do so in good faith and have reasonable grounds for believing the information disclosed indicates waste and/or wrongdoing. In accordance with the Policy, any allegations raised by employees that prove to be unsubstantiated and which prove to have been made maliciously or knowingly to be false may be subject to disciplinary action.

The Triage Team reviews whistle-blower reports submitted and determines investigative assignments. The Triage Team's composition during 2015 included the City Auditor and senior personnel representing the Whistle-blower Program, City Manager's Office, Human Resources, Law, and Corporate Security.

As an integral part of the effectiveness of the Program, members provide advice and support to the City Auditor by ensuring all reported concerns and allegations receive appropriate investigation as required by the Policy. The City Auditor has ultimate decision-making authority on the assignment of investigation cases.



### Submitting a Whistle-blower Concern?

Where possible:

- Verify that your allegation is related to waste and/or wrongdoing as defined in the Whistle-blower Policy;
- Ensure that your allegation is clearly communicated;
- Verify that your concern is related to a City employee or operation;
- Provide specific and factual detail of the alleged event including dates, times, locations, people involved;
- Provide available supporting documentation and other evidence;
- Identify individual(s) and/or business unit implicated in your allegation;
- Avoid reporting based on hearsay, speculation, opinions or conclusions; and
- Stay involved. All reports made through ClearView allow for ongoing anonymous and confidential communication with Program investigators to whom additional clarification and information can be provided.