



**Calgary**

City Auditor's Office

**3rd Quarter 2021 Report  
July 1, 2021 – September 30, 2021**

**November 19, 2021**

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# 1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q2 2021	Q3 2021
Efficiency	On Track to Annual Plan	Q1-17% Q2-36% Q3-72%	32%	58%
Effectiveness	Timely Implementation of Audit Rec.	65%	0%	45%
Quality	Client Satisfaction	85%	100%	100%
Staff	Training Plan Achieved	90%	95%	92%

Budget (\$'000's)				
Category	2021 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Salary	2,802	2,091	1,810	(281)
Tools & Technology	130	115	109	(6)
Training	56	41	17	(24)
Professional Memberships	18	14	14	0
Contracted Services	7	7	25	18
Employee Recognition	3	2	0	(2)
Operating Costs	47	40	32	(8)
<b>Total</b>	<b>3,063</b>	<b>2,310</b>	<b>2,007</b>	<b>(303)</b>

### Whistle-blower Program Activity

**New Reports (Q3 – 2021)**  
**42**

**Reports by Quarter**

Quarter	Number of Reports
Q3 20	20
Q4 20	29
Q1 21	35
Q2 21	41
Q3 21	42

**In-Progress Investigations (Q3 – 2021)**  
**13**

- 2 City Auditor's Office
- 10 WBP Triage Partners
- 1 Management

**Closed Investigations (Q3 – 2021)**  
**5**

**Recommendation Categories\***

- 8 HR, Diversity & Respectful Workplace

### Recommendation Follow-up

**Results of 12 Recommendations Due in Q3 (Q2 2021 - 9)**

- 9 Closed - Implemented (Q2 - 56%)
- 3 Required Additional Time (Q2 - 44%)

### Outstanding Recommendations # of Revised Date Requests

Recommendation ID	# of Revised Date Requests
AC2020-0343 Chief Financial Officer	1
AC2021-0313 City Manager	2

■ 1st revised date

\*Each investigation could result in any number of recommendations.  
\*Recommendations/Corrective Actions are published at [www.calgary.ca/whistle](http://www.calgary.ca/whistle)

## 2. Initiative Briefing: Quality

The City Auditor's Office (CAO) mission is to provide independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust. One of the CAO's underpinning values is Reliability. Stakeholders, including Audit Committee, must have confidence CAO deliverables meet quality expectations and are complete, accurate, objective, and timely. The CAO has developed a framework that supports our commitment to quality and continuous improvement comprised of KPIs, conformance to professional standards, and on-going identification and implementation of process improvements.

The CAO's KPIs (page 3) are designed to measure, through selected indicators, the efficiency, effectiveness, and quality of our services, as well as staff experience and knowledge. Our KPIs compromise a "balanced scorecard", which is a range of measures that capture performance related to multiple drivers of success. Each KPI is calculated using a defined methodology to ensure objective and consistent monitoring and reporting and support the identification of trends and opportunities for improvement.

CAO assurance and advisory services are conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (IIA Standards)*. CAO quality activities to support conformance with IIA Standards and identify process improvements include:

- Quality review of every working paper file and draft report;
- Post project client surveys and lessons learned sessions;
- Independent post-project file reviews (by an auditor not involved in the audit); and
- Periodic internal process evaluations and updates.

Activities completed to date during 2021 confirm ongoing conformance with IIA Standards.

IIA Standards require the CAO to conduct an external assessment at least once every five years by an independent qualified reviewer. The last CAO external assessment was completed in 2017 and concluded that the CAO "generally conforms" (the highest rating available) to IIA Standards. The next external assessment will be conducted, by the IIA, and reported to Audit Committee in Q2 2022. We are expecting the assessment to confirm conformance and provide additional opportunities for improvement.

*Council Policy CC026* directs the City Auditor to establish procedures for receiving, assessing, and appropriately investigating and reporting the outcome of all allegations received by the Whistle-blower Program. Whistle-blower investigations are executed in alignment with best practices and the codes of conduct of the Association of Certified Fraud Examiners and Association of Certified Forensic Investigators of Canada. Quality activities to support alignment with best practices for managing an employee hotline and conducting related workplace investigations include:

- Review of all completed investigations; and
- Routine reviews of investigation processes and updates.

In support of the CAO's commitment to ongoing improvement, a one-of-a-kind independent review of the practices and procedures of the Whistle-blower Program took place during Q1 2021. The CAO is currently implementing the reviewer's recommendations to further enhance the program.

## 2021 Audit Plan – Status as at September 30, 2021

2021 Audit Plan				
#	Title	Description	Report Target	Status
<b>2020 Audit Plan Carry Forward</b>				
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	Complete/ reported 5/20/2021
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	Complete/ reported 6/24/2021
<b>2021 Audit Plan</b>				
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	Complete/ reported 6/24/2021
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	Complete/ reported 7/22/2021
3	2021 Municipal Election	An operational audit assessing readiness to deliver the 2021 Municipal Election.  <i>Citizen Priority – A Well-Run City</i>	Q3	Complete/ reported 9/9/2021

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>	Q4	Reporting
5	Fleet Services – Operator and Public Safety	An operational audit assessing the design and operating effectiveness of key controls that support Fleet operator and public safety related to City Fleet operations.  <i>Citizen Priority – A Well-Run City</i>	Q1 2022	Fieldwork
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>	Q1 2022	Fieldwork
7	Transportation Infrastructure – Construction Project	An operational audit of a project under the Main Streets Program.  <i>Citizen Priority – A City that Moves</i>	Q1 2022	Planning
8	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>	Q2 2022	Planning
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>	Deferred	To be completed as part of the 2022 Audit Plan
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>	Deferred	To be considered for inclusion as part of the 2023/2024 Audit Plan

2021 Audit Plan				
#	Title	Description	Report Target	Status
2022 Audit Plan Brought Forward				
1	Building Services – Virtual Inspections	An operational audit assessing the effectiveness and efficiency of virtual inspections.  <i>Citizen Priority – A City of Safe and Inspiring Neighbourhoods</i>	Q2 2022	Planning

### Q3 2021 Recommendation Follow-up – In-Progress Action Plans

Q3 2021 ACTION PLANS REQUIRING ADDITIONAL TIME TO IMPLEMENT			
Report # & Title	# of Revisions	Revised Date	Recommendation
AC2021- 0313 Cyber Security Incident Response Follow-up	1	December 31, 2021	#4- Details of this recommendation are confidential based on Section 20(1) of The Freedom of Information and Protection of Privacy Act, which states:  “The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to: (k) facilitate the commission of an unlawful act or hamper the control of crime, (m) harm the security of any property or system, including a building, a vehicle, a computer system or a communications system.”
AC2021- 0313 Cyber Security Incident Response Follow-up	1	March 31, 2022	#5- Details of this recommendation are confidential based on Section 20(1) of The Freedom of Information and Protection of Privacy Act, which states:  “The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to: (k) facilitate the commission of an unlawful act or hamper the control of crime, (m) harm the security of any property or system, including a building, a vehicle, a computer system or a communications system.”
AC2020- 0343 Operating Budget Management	1	December 30, 2022	#2- The City Treasurer:  a. Assess whether the practices supporting the EIR completion can be enhanced and improved, or whether a different reporting tool should be implemented to provide Council with transparent communication.  b. Ensure communication disclosed to Council through implementation of an effective report supported by appropriate guidance to DeptID owners.