3rd Quarter 2022 Report
July 1, 2022 – September 30, 2022

October 20, 2022

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1. Status Update

Key Performance Indicators

Measure Area	Performance Indicator	Target	Q2 2022	Q3 2022
Efficiency	On Track to Annual Plan	Q1-22% Q2-56% Q3-84% Q4-95%	54%	73%
Effectiveness	Timely Implementation of Audit Rec.	65%	46%	75%
Quality	Client Satisfaction	85%	84%	100%
Staff	Training Plan Achieved	90%	85%	81%

Budget ($'000's)

Category	2022 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Salary	2,815	2,094	1,641	453
Tools & Technology	130	115	108	7
Training	56	42	20	22
Professional Memberships	17	13	11	2
Contracted Services	7	7	95	(88)
Employee Recognition	3	2	0	2
Operating Costs	48	36	41	(5)
Total	3,076	2,309	1,916	393

Whistle-blower Program Activity

New Reports (Q3 – 2022)
28

Reports by Quarter

Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
42	36	28	18	28

Active Investigations (Q3 – 2022)
4

Aging of Active Investigations

- < 3 months
- 3 - 6 months

1
3

Closed Investigations (Q3 – 2022)
3

Classification of Substantiated Allegations*

- Recruiting & Employment

100%

*An investigation may be comprised of multiple allegations and may result in multiple recommendations/corrective actions. Substantiated allegations and matters resulting in corrective action are summarized at www.calgary.ca/whistle

Recommendation Follow-up

Results of 14 Recommendations Due in Q3 (Q2 2022 - 7)

- 11 Closed - Implemented (Q2 - 71%)
- 1 Closed- Alternative Mitigation (Q2- 0%)
- 2 Required Additional Time (Q2 - 29%)

14%
7%
79%

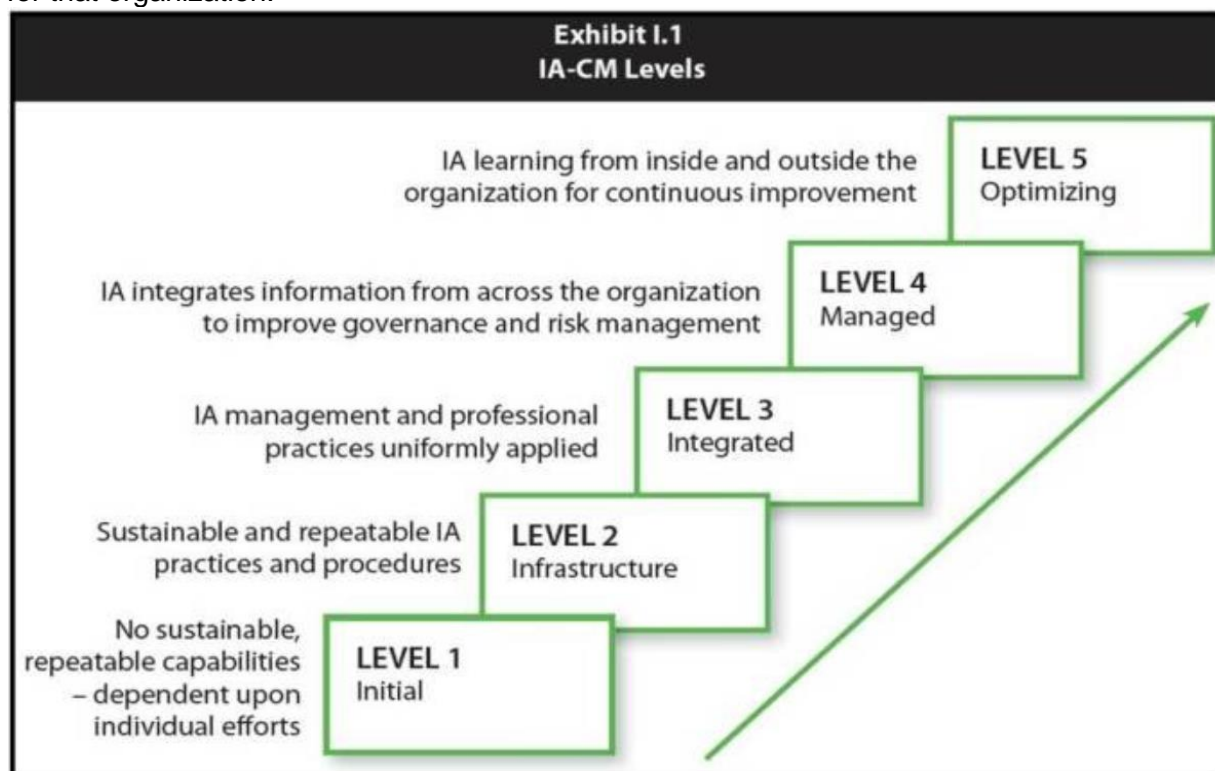### Outstanding Recommendations # of Revised Date Requests

AC2022-0079 Corporate Planning & Financial Services

AC2021-0923 People, Innovation & Collaboration Services

- 1st revised date

0   1

2. Initiative Briefing: City Auditor's Office Capability Model

To identify strengths and improvement opportunities in how we provide effective internal auditing services, the City Auditor's Office (CAO) conducts periodic maturity self-assessment exercises against the established Institute of Internal Auditors (IIA) Internal Audit Capability Model (IA-CM). The IA-CM is a framework that identifies the fundamentals needed for effective internal auditing in the public sector and consists of five levels, tied to practices demonstrated at each level (Exhibit I.1). As indicated in the IIA's Internal Audit Quality Assessment report to the CAO, *"Having attained the overall assessment opinion of 'Generally Conforms' to Standards, the CAO now has an opportunity to consider in what additional areas they might wish to go beyond conformance in provision of their services."*

The IA-CM shows the steps in progressing from a level of internal auditing typical of a less established organization to the strong, effective, internal audit capabilities generally associated with a more mature and complex organization. Improvements in processes and practices at each stage provide the foundation on which to progress to the next capability level (e.g., you must fulfill a level 1 and 2 before you can be at level 3). A fundamental premise underlying the IA-CM is that a process or practice cannot be improved if it cannot be repeated. An internal audit service may choose to remain at any level and that level may be the most appropriate for that service in that particular organization and environment. For example, a service may wish to remain at a particular level and improve the efficiency and quality of implementation of the processes at that level by establishing better practices, rather than striving for a higher capability level. Another factor to consider is the cost to improve – to move from Level 3 to Level 4, for example. The current level may be the most cost effective at that particular point in time for that organization.

Exhibit I.1
IA-CM Levels

IA learning from inside and outside the organization for continuous improvement — **LEVEL 5** Optimizing

IA integrates information from across the organization to improve governance and risk management — **LEVEL 4** Managed

IA management and professional practices uniformly applied — **LEVEL 3** Integrated

Sustainable and repeatable IA practices and procedures — **LEVEL 2** Infrastructure

No sustainable, repeatable capabilities – dependent upon individual efforts — **LEVEL 1** Initial

During September 2022 the City Auditor's Office completed a self-assessment using the maturity scale to determine the current state of our internal audit service. The results are

highlighted below with green highlighting indicating level achieved, while blue indicates areas of planned focus during 2023 and beyond:

	Services and Role of IA	People Management	Professional Practices	Performance Management and Accountability	Organizational Relationships and Culture	Government Structures
			Exhibit II.1: Internal Audit Capability Model Matrix			
Level 5 - Optimizing	IA Recognized as Key Agent of Change	Leadership Involvement with Professional Bodies Workforce Projection	Continuous Improvement in Professional Practices Strategic IA Planning	Outcome Performance and Value to Organization Achieved	Effective and Ongoing Relationships	Independence, Power, and Authority of the IA Activity
Level 4 - Managed	Overall Assurance on Governance, Risk Management, and Control	IA contributes to Management Development IA Activity Supports Professional Bodies Workforce Planning	Audit Strategy Leverages Organization's Management of Risk	Integration of Qualitative and Quantitative Performance Measures	CAE Advises and Influences Top-Level Management	Independent Oversight of the IA Activity
Level 3 - Integrated	Advisory Services Performance/ Value-for-Money Audits	Team Building and Competency Professionally Qualified Staff Workforce Coordination	Quality Management Framework Risk-Based Audit Plans	Performance Measures Cost Information IA Management Reports	Coordination with Other Review Groups Integral Component of Management Team	CAE Reports to Top-Level Authority Management Oversight and Support of the IA Activity Funding Mechanisms
Level 2 - Infrastructure	Compliance Auditing	Individual Professional Development Skilled People Identified and Recruited	Professional Practices and Processes Framework Audit Plan Based on Management/ Priorities	IA Operating Budget IA Business Plan	Managing within the IA Activity	Full Access to Organizational Information, Assets, and People Reporting Relationships Established
Level 1 – Initial	Ad hoc and unstructured; isolated single audits or reviews of documents and transactions for accuracy and compliance; outputs dependent upon the skills of specific individuals holding the position; no specific professional practices established other than those provided by professional associations; funding approved by management, as needed; absence of infrastructure; auditors likely part of a larger organizational unit; no established capabilities; therefore, no specific key process areas					

2022 Audit Plan – Status as at September 30, 2022

#	Title	Description	Report Target	Status
2022 Audit Plan				
2021 Audit Plan Carry Forward				
1	Hyperion Systems Governance	An operational audit of the effectiveness of governance related to the Hyperion system. *Citizen Priority – A Well-Run City*	Q1	Complete/ reported 1/20/2022
2	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. *Citizen Priority – A Well-Run City*	Q1	Complete/ reported 3/10/2022
3	Transportation Infrastructure – Construction Project	An operational audit of a project under the Main Streets Program. *Citizen Priority – A City that Moves*	Q1	Complete/ reported 4/21/2022
4	Recreation Infrastructure Investments	An operational audit assessing the effectiveness of processes implemented by Calgary Recreation to support equitable infrastructure investments. *Citizen Priority – A Healthy and Green City*	Q2	Complete/ reported 6/16/2022
2022 Audit Plan				
1	Building Services– Public Protection Site Safety Plans (PPSSP)	An operational audit assessing the effectiveness and efficiency of Public Protection Site Safety Plans and associated inspections. *Citizen Priority– A City of Safe and Inspiring Neighbourhoods*	Q2	Complete/ reported 7/21/2022
2	Pension Compliance	A compliance audit as required by Alberta Pension Services providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire and SFPP). *Citizen Priority– A Well-Run City*	Q2[1]	Complete/ reported to APS 6/20/2022
3	Green Line Program Schedule	An operational audit assessing the effectiveness of processes to create and monitor the baseline Program schedule. *Citizen Priority– A City that Moves*	Q3	Reporting

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[1] Report to Alberta Pensions Services by June 30, 2022.

2022 Audit Plan				
#	Title	Description	Report Target	Status
4	Facility Management– Asset Management	An operational audit assessing the effectiveness of processes to manage lifecycle costs and investments to mitigate safety risks and support service delivery. *Citizen Priority– A Well-Run City*	Q3	Reporting
5	Real Estate and Development Services– Land Management	An operational audit assessing the effectiveness of the Enhanced Rationalization Program supporting the management of City-owned land. *Citizen Priority– A Well-Run City*	Q3	Reporting
6	Calgary Housing Company– Vendor Procurement and Management	An operational audit assessing the effectiveness of processes to procure and manage vendors. *Citizen Priority– A Prosperous City*	Q4	Fieldwork
7	Code of Conduct Program Audit	An operational audit assessing the effectiveness of City Administration's Code of Conduct Program supporting an ethical workplace. *Citizen Priority– A Well-Run City*	Q1 2023	Fieldwork
8	Calgary Parks– Project Management	An operational audit assessing the effectiveness of capital project management. *Citizen Priority- A Healthy and Green City*	Q1 2023	Planning
9	Recruitment Processes	An operational audit of the effectiveness of the alignment of recruitment processes with The City's diversity objectives. *Citizen Priority– A Well-Run City*	Q1 2023	Fieldwork

Q3 2022 Recommendation Follow-up– In-Progress Action Plan

Report # & Title	# of Revisions	Revised Date	Recommendation
AC2021- 0923 311 Response	1	March 31, 2023	#1- The Director, Customer Service & Communications, seek direction from the Executive Leadership Team regarding the continuation of The City's strategy of providing citizen information and issue resolution through 311 as the initial point of contact.
AC2022- 0079 Hyperion Systems Governance	1	September 30, 2022	#5- The Corporate Budget Office Finance Manager: i. Review and approve access request and monitoring procedures; and ii. Distribute this information to relevant stakeholders via the Hyperion SharePoint site.