



City Auditor's Office

2nd Quarter 2016 Report

April 1, 2016 – June 30, 2016

July 21, 2016

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City Auditor

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1. Status Update

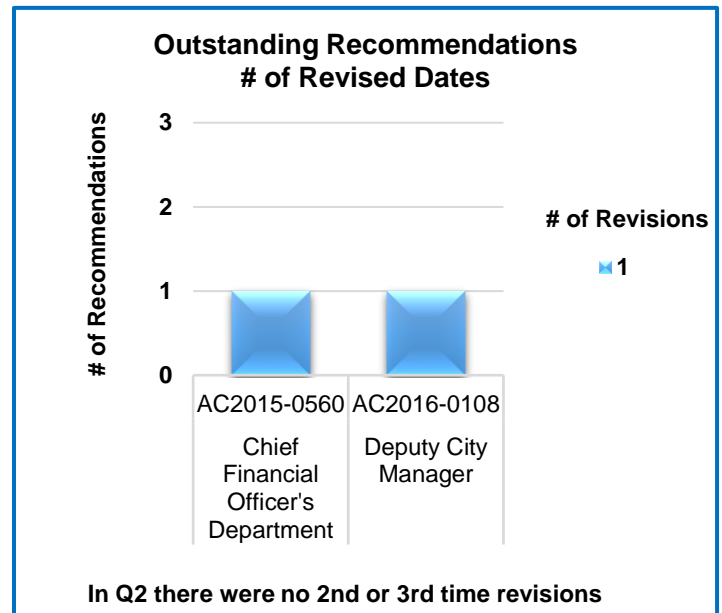
Key Performance Indicators

#	Performance Indicator	Target	Q1	Q2
1	Efficiency: On Track to Annual Plan	85%	91%	94%
2	Efficiency: Project Budget Variance	0-10%	10%	2%
3	Effectiveness: Recommendation Agreement	95%	100%	100%
4	Effectiveness: Timely Implementation of Recommendations	N/A	69%	78%
5	Quality: Client Satisfaction	75%	100%	98%
6	Staff: Training Plan Achieved	80%	100%	100%
7	Staff: Average Years of Service	3.5	3.6	3.6

Recommendation Follow-up

Results of 18 recommendations due in 2nd quarter (48 Q1):

- 89% implemented (Q1 75%)
- 11% required additional time (Q1 11%)
- 0% closed, tracking to next milestone (Q1 6%)
- 0% management accepts risk (Q1 8%)

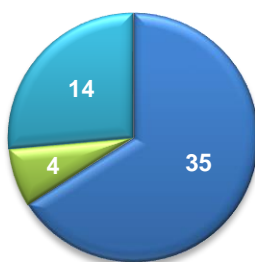


Whistle-blower Program

2nd Quarter Activity:

- 24 New Reports (Q1 20)
- 26 Closed (Q1 46)
- 53 In-Progress (Q1 54)

In-Progress Investigations (53)



- City Auditor's Office
- City of Calgary Departments
- Triage Partners (HR/Corporate Security)

Operating Budget (\$'000's)

	2016 Annual Budget	2 nd Quarter Budget	Actual	Variance
Salary	\$2,323	\$1,157	\$1,057	\$100
Contracts	\$375	\$139	\$50	\$89
Training	\$75	\$38	\$1	\$37
Other	\$116	\$65	\$64	\$1
Total	\$2,889	\$1,399	\$1,172	\$227

- Variance due to staff vacancies

2. Initiative Briefing: Annual Audit Planning Process

In December 2015, the City Auditor obtained approval on a two year Audit Plan, covering proposed audits for 2016 and 2017. To ensure that the activities on this Plan remain relevant to the organization, the City Auditor's Office is continuing with an annual risk based planning cycle, culminating in the presentation of a 2017/18 Audit Plan to Audit Committee in November 2016. The annual planning cycle activities in Q3 and early Q4 have two main purposes– confirmation and scheduling of 2017 audits, and identification of 2018 audits.

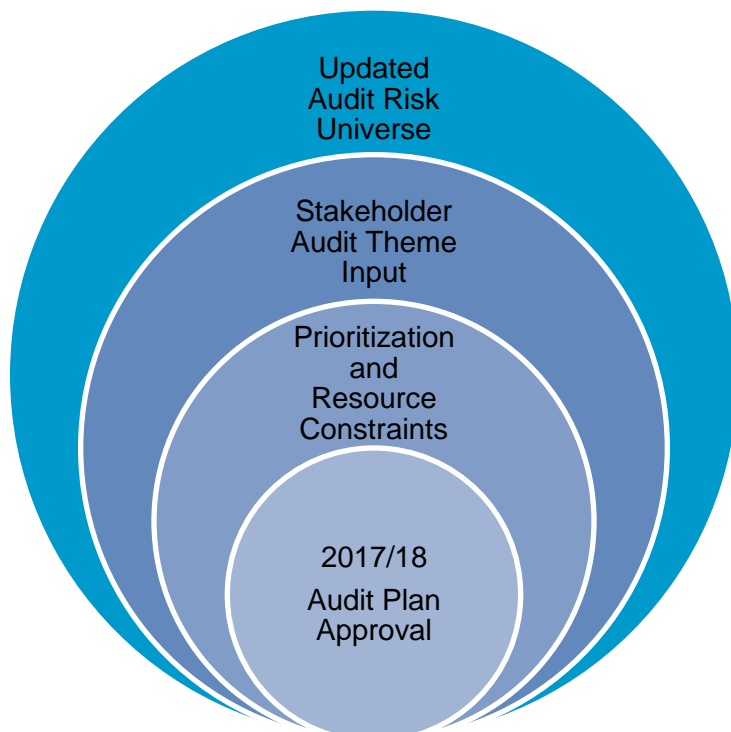
2017 Audits

Planned 2017 audits will be reviewed to ensure that they are still relevant to the organization, and time frames will be determined, based on available City Auditor's Office resources and Business Unit activities. As part of this review, the City Auditor will meet individually with Directors and General Managers.

2018 Audits

The City Auditor's Office will continue to utilize a risk based methodology, as highlighted in the diagram below, to identify potential 2018 audits. Identification of potential audits will take into account the City Auditor's Office four year roadmap, created through a risk based assessment of the Audit Universe. In addition, the City Auditor's Office will gather information on audit themes by:

- Utilizing a stakeholder survey categorizing business processes and services under a number of audit themes;
- Sharing stakeholder survey results and soliciting further input through two CAO facilitated risk themed forums held with Administration, and members of Council; and
- Holding individual input and discussion meetings with the Mayor, City Manager, Chief Financial Officer, the Chair of Audit Committee, as well as, The City's Corporate Initiatives team who coordinate the City's ZBR activity, and the City's External Auditors.



The resultant list of potential 2018 audits is then prioritized based on assurance work completed by others and available audit resources.

The City Auditor's risk based approach to creating an Annual Audit Plan is aligned with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

2016 Annual Audit Plan – Status as of June 30, 2016

2016 Annual Audit Plan					
#	Title	Description	Original Report Target	Revised Report Target	Status
2015 In-Progress					
1	Rocky Ridge Recreation Centre	A project management audit of the capital construction project to build the Rocky Ridge recreation centre.	Q1	-	Complete – Reported February
2	Attainable Homes Calgary Corporation	An audit assessing the effectiveness of the process to acquire and develop units that supports the mandate of Attainable Homes.	Q2	-	Complete – Reported April
Risk Assessed Priority: 2016					
3	Pensions	A compliance audit to meet legislation requirements, which requires independent assurance every 3 years.	Q2	-	Complete – Reported June
4	Finance	A compliance desk top audit utilizing data analytics.	Q2	Q4	Fieldwork
5	Environmental & Safety Management	An operational audit assessing the effectiveness and efficiency of environmental and safety management processes.	Q2	Q3	Reporting
6	Parks – Urban Forestry	An operational audit assessing the effectiveness of the City's investment and management of trees.	Q2	Q3	Reporting
7	Hedging	An operational audit assessing the effectiveness of hedging processes.	Q3	Q3	Reporting
8	Human Resources – Succession Planning	An operational audit assessing the effectiveness of succession planning strategies conducted across the organization.	Q4	Q1, 2017	Planning
9	Landfill	An operational audit assessing the effectiveness of processes established to meet business objectives.	Q4	Q1, 2017	Planning

2016 Annual Audit Plan					
#	Title	Description	Original Report Target	Revised Report Target	Status
10	POSSE System	An IT audit focusing on the data integrity and sustainability of the business application.	Q4	Q1, 2017	Planning
11	911 Call Centre	An operational audit evaluating the efficiency of tools and resources employed in the emergency call handling processes.	Q1, 2017		Not Started
12	New Central Library	An operational audit to provide assurance the project is on track and will meet business objectives of time, cost and quality.	Q1, 2017		Not Started
City Auditor Office Initiatives					
1	Action Plan Follow-up	Ongoing follow-up on the status of management's action plans to address City Auditor recommendations. Results reported as part of City Auditor's Quarterly Status Report.			
2	Quality Assessment Improvement Program	In accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, periodic self-assessments of the City Auditor's Office conformance with Standards and identification of opportunities for improvement will be conducted. In addition readiness preparations will begin for a scheduled external quality assessment review in early 2017. External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.			
3	Assurance Mapping	A coordinated initiative to document the mandate and scope of providers (internal and external) that deliver assurance and/or assessments of City and administrative services. In accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, audit activities should be coordinated with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts and impact to business units.			
4	Data Analytics	Continue to expand utilization of existing audit tools to enhance the effectiveness and efficiencies of audits conducted. Report on benchmarking and best practices.			
5	Annual Audit Plan	City Auditor's Office Charter requires the City Auditor to prepare an Annual Risk Based Audit Plan for approval by Audit Committee. A 2017/18 Plan will be prepared in Q4 2016 which will reconfirm 2017 audits as well as audits proposed for 2018 using a risk-based approach.			