2nd Quarter 2023 Report
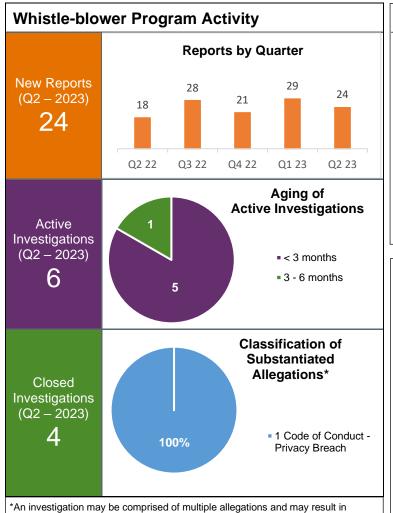# April 1, 2023 – June 30, 2023

July 19, 2023

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1. Status Update

Key Performance Indicators

Measure Area	Performance Indicator	Target	Q1 2023	Q2 2023
Efficiency	On Track to Annual Plan	Q1-21% Q2-60% Q3-85% Q4-95%	13%	39%
Effectiveness	Timely Implementation of Audit Rec.	65%	75%	75%
Quality	Client Satisfaction	85%	100%	99%
Staff	Training Plan Achieved	90%	100%	100%

Budget ($'000's)

Category	2023 Annual Budget	Q2 Cumulative Budget	Actual to Date	Variance
Salary	2,845	1,422	1,342	80
Tools & Technology	162	81	72	9
Training	63	31	28	3
Professional Memberships	19	9	11	-2
Contracted Services	150	75	18	57
Employee Recognition	3	1	0	1
Operating Costs	48	24	11	13
Total	3,290	1,643	1,482	161

Whistle-blower Program Activity

New Reports (Q2 – 2023)
24

Reports by Quarter

Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
18	28	21	29	24

Active Investigations (Q2 – 2023)
6

Aging of Active Investigations

- < 3 months
- 3 - 6 months

(1, 5)

Closed Investigations (Q2 – 2023)
4

Classification of Substantiated Allegations*

100%

- 1 Code of Conduct - Privacy Breach

*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 5 Recommendations Due in Q2 (Q1 2023 - 20)

- 3 Closed - Implemented (Q1 - 70%)
- 1 Closed- Alternative Mitigation (Q1- 5%)
- 1 Required Additional Time (Q1 - 25%)

(20%, 20%, 60%)

Outstanding Recommendations # of Revised Date Requests

AC2021-1099 Operational Services

- 1st revised date

0 1 2 3 4

2. Initiative Briefing: Proposed Global Internal Audit Standards

The Institute of Internal Auditors (IIA) have released proposed Global Internal Audit Standards that are intended to update and replace the existing International Professional Practices Framework (IPPF). The IIA expects to finalize the Global Internal Audit Standards by the end of 2023, and audit teams would then have a year to implement to remain in conformance.

Summary of Changes

New Structure
- Consolidating and streamlining six elements (Mission, Definition, Code of Ethics, Core Principles, Standards, and Implementation Guides) into the Standards.
- Aligning the Standards with the Principles.
- Adding considerations for implementation and evidence of conformance for each standard.

New Contents, e.g.
- Purpose of Internal Auditing.
- 15 Principles
- Board (Audit Committee) role in governing the internal audit function.
- Considerations for Public Sector, small functions, and others.

Changes and Clarifications, e.g.
- Clarifying the role of Chief Audit Executives in managing the internal audit function
- Incorporating new performance requirements to ensure quality of internal audit services
Quality = Conformance + Performance

Source: IIA

The proposed Global Internal Audit Standards are categorized into five different domains. The proposed Standards raise awareness of and emphasize the importance of governance roles and responsonsibilities to support an effective internal audit function. Domain III focuses on the governance of the internal audit function and lists the requirements of Audit Committee/ "the Board" in three Principles and nine Standards:
- Principle 6: The board establishes, approves, and supports the authority, role, and responsibilities of the internal audit function.
- Principle 7: The board establishes and protects the internal audit function's independence.
- Princple 8: The board oversees the internal audit function to ensure the function's effectiveness.

These Principles align to current structures and practices at the City of Calgary.

The City Auditor's Office provided collated feedback to the IIA on all five domains of the proposed Standards as part of the consultation period after conducting a team discussion and review.

The IIA conducted an external quality assessment of the City Auditor's Office audit service in May 2022. Their report confirmed the City Auditor's Office on-going conformance to the IIA's existing IPPF Standards. During the last year, the City Auditor's Office has focused on implementing the recommendations in that assessment to further support excellence in internal audit services delivered.

2023 Audit Plan – Status as at June 30, 2023

#	Title	Description	Report Target	Status
2023 Audit Plan				
2022 Audit Plan Carry Forward				
1	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.	Q1	Complete /reported 1/19/2023
2	Calgary Housing Company– Vendor Procurement and Management	An operational audit assessing the effectiveness of processes to procure and manage vendors.	Q1	Complete /reported 3/8/2023
3	Code of Conduct Program Audit	An operational audit assessing the effectiveness of City Administration's Code of Conduct Program supporting an ethical workplace.	Q3	Complete /reported 6/15/2023
4	Calgary Parks– Project Management	An operational audit assessing the effectiveness of capital project management.	Q3	Reporting
5	Recruitment Processes	An operational audit of the effectiveness of the alignment of recruitment processes with The City's diversity objectives.	Q2	Complete /reported 4/19/2023
2023 Audit Plan				
1	Calgary Transit Annual Investment Program (AIP)	An operational audit of the effectiveness of the management of Calgary Transit's Rail Systems Lifecycle Asset Management AIP.	Q3	Fieldwork
2	Green Line Program Risk Management	An operational audit of the Green Line Program's risk management process.	Q3	Reporting
3	Community Safety Initiative	An operational audit of the effectiveness of Administration's Partner Agency Liaison initiative to address encampments.	Q3	Reporting

2023 Audit Plan				
#	Title	Description	Report Target	Status
4	Downtown Calgary Development Incentive Program	An operational audit of the Downtown Calgary Development Incentive Program's grant administration.	Q4	Fieldwork
5	Waste Management Facility Cash Handling	An operational audit of the effectiveness of controls that support the complete and accurate collection and deposit of waste management facility cash revenue.	Q3	Fieldwork
6	Financial Reserves	An operational audit of the effectiveness of the management of City of Calgary financial reserves.	Q1 2024	Not Started
7	Cloud Vendor and Solution Management	An IT audit to review processes for identifying, assessing, and monitoring cloud software solutions and vendors.	Q4	Planning
8	Safety Management	An operational audit of the effectiveness of the Occupational Health & Safety Business Unit's monitoring and mitigation of safety incidents.	Q1 2024	Not Started
9	Streetlights	An operational audit of streetlights maintenance and repair.	Q1 2024	Planning
10	Project and Portfolio Management Tool (P2M)	An operational audit of the Utilities Delivery Business Unit's utilization of P2M.	Q2 2024	Not Started

Q2 2023 Recommendation Follow-up– In-Progress Action Plan

Report # & Title	# of Revisions	Revised Date	Recommendation[1]
AC2021- 1099 Industrial Control Systems Security Audit	1	March 31, 2024	#2b)- Details of this recommendation are confidential.

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[1] Confidential recommendation details are 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."