

## **RECOMMENDATION FOLLOW-UP - MANAGEMENT ACTIONS UP TO APRIL 30, 2013**

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### **EXECUTIVE SUMMARY**

The City Auditor follows up on the status of management's commitments to address audit recommendations. The City Auditor periodically provides a report to the Audit Committee and City Council on the adequacy, effectiveness, and timeliness of actions taken by the Administration to address audit recommendations.

Management is responsible and accountable for addressing the audit issues and recommendations. It is the City Auditor's responsibility to monitor and report on Management's progress.

#### **RECOMMENDATION(S)**

1. That Audit Committee receive this report for information.
2. That Audit Committee recommends that Council receive this report for information.

#### **RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2013 DECEMBER 12:**

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That Council receive Report AC2013-0787 for information.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

On 2004 May 17, Council approved Bylaw 30M2004, which established the position of City Auditor and the powers, duties and functions of the position. The City Auditor's mandate, under Bylaw 30M2004, is to assist Council in its oversight of the Administration; and ensure accountability for the stewardship of public funds and the achievement of value for money.

Audit Committee approved the City Auditor's Office 2013 Annual Audit Plan which includes the Recommendation Follow-up project.

### **BACKGROUND**

This is the third cycle of a new Recommendation Follow-up process established in 2010. This follow-up cycle included all recommendations with completion dates on or prior to April 30, 2013.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

During this follow-up cycle we reviewed and assessed 43 recommendations from 16 different audits with target implementation dates up to April 30, 2013. Through our review of supporting documents provided by Administration, and in some cases based on additional follow-up work performed, we have closed 39 of the 43 (91%) recommendations. The remaining 4 of 43 (9%) recommendations are in-progress and we will continue to follow-up on them based on management's revised completion dates.

The attached report outlines our follow-up process and includes a listing of the audits that had recommendations due this cycle and the number of recommendations from each audit. The listing also indicates the status of the recommendations subsequent to our follow-up work.

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The report includes an Appendix that provides details of the recommendations from this cycle that are still in-progress along with management's progress update and their revised completion dates.

### **Stakeholder Engagement, Research and Communication**

This Recommendation Follow-up cycle was conducted with the City Manager's Office (CMO) acting as the initial point of contact with Administration.

The CMO, working with various departments, collected status updates for each of the recommendations in this cycle along with supporting documentation for the recommendations management indicated were complete. This information was made available to the City Auditor's Office for review. When needed, further supporting documentation was gathered by the auditors directly from the relevant business unit level staff.

One exception to the process above was in regards to the follow-up on the recommendations from the Calgary Arts Development Authority (CADA) Grant Program Audit. We worked directly with CADA to obtain status updates on the five recommendations due this cycle.

### **Strategic Alignment**

Recommendation Follow-up status reports assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement of value for money in City operations.

### **Social, Environmental, Economic (External)**

This report has been reviewed for alignment with The City of Calgary's Triple Bottom Line (TBL) Policy Framework. No implications are identified.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

There are no direct business plan or budget implications arising from this report.

#### **Current and Future Capital Budget:**

There are no direct business plan or budget implications arising from this report.

### **Risk Assessment**

The activities of the City Auditor's Office serve to promote accountability, mitigate risk and support an effective governance structure. Management's actions to address audit recommendations enhance the system of internal controls within The City.

#### **REASON(S) FOR RECOMMENDATION(S):**

Audit Committee's Terms of Reference state that Audit Committee:

Section 5i)

Receives directly from the City Auditor any individual Audit Report and forwards these to Council for information.

Section 5j)

Receives directly from the City Auditor, at least annually, a report providing the status

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of Administrative action on the recommendations contained in previous audit reports; this report will be forwarded to Council for information.
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**ATTACHMENT(S)**

Recommendation Follow-up – Management Actions up to April 30, 2013.