Calgary

City Auditor's Office

3rd Quarter 2023 Report
July 1, 2023 – September 30, 2023

October 12, 2023

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1. Status Update

Key Performance Indicators

Measure Area	Performance Indicator	Target	Q2 2023	Q3 2023
Efficiency	On Track to Annual Plan	Q1-21% Q2-60% Q3-85% Q4-95%	39%	72%
Effectiveness	Timely Implementation of Audit Rec.	65%	75%	67%
Quality	Client Satisfaction	85%	99%	93%
Staff	Training Plan Achieved	90%	100%	100%

Budget ($'000's)

Category	2023 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Salary	2,955	2,134	1,996	138
Tools & Technology	162	115	117	-2
Training	63	47	43	4
Professional Memberships	19	14	15	-1
Contracted Services	150	87	89	-2
Employee Recognition	3	2	0	2
Operating Costs	48	35	18	17
Total	3,400	2,434	2,278	156

Whistle-blower Program Activity

New Reports (Q3 – 2023)
24

Active Investigations (Q3 – 2023)
5

Closed Investigations (Q3 – 2023)
4

Reports by Quarter

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

Aging of Active Investigations

- < 3 months: 3
- 3 - 6 months: 1
- > 6 months: 1

Classification of Substantiated Allegations*

- 1 Theft of Time — 33%
- 1 Social Media — 33%
- 1 Inefficient Use or Misuse of City Resources — 33%

*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 2023 - 5)
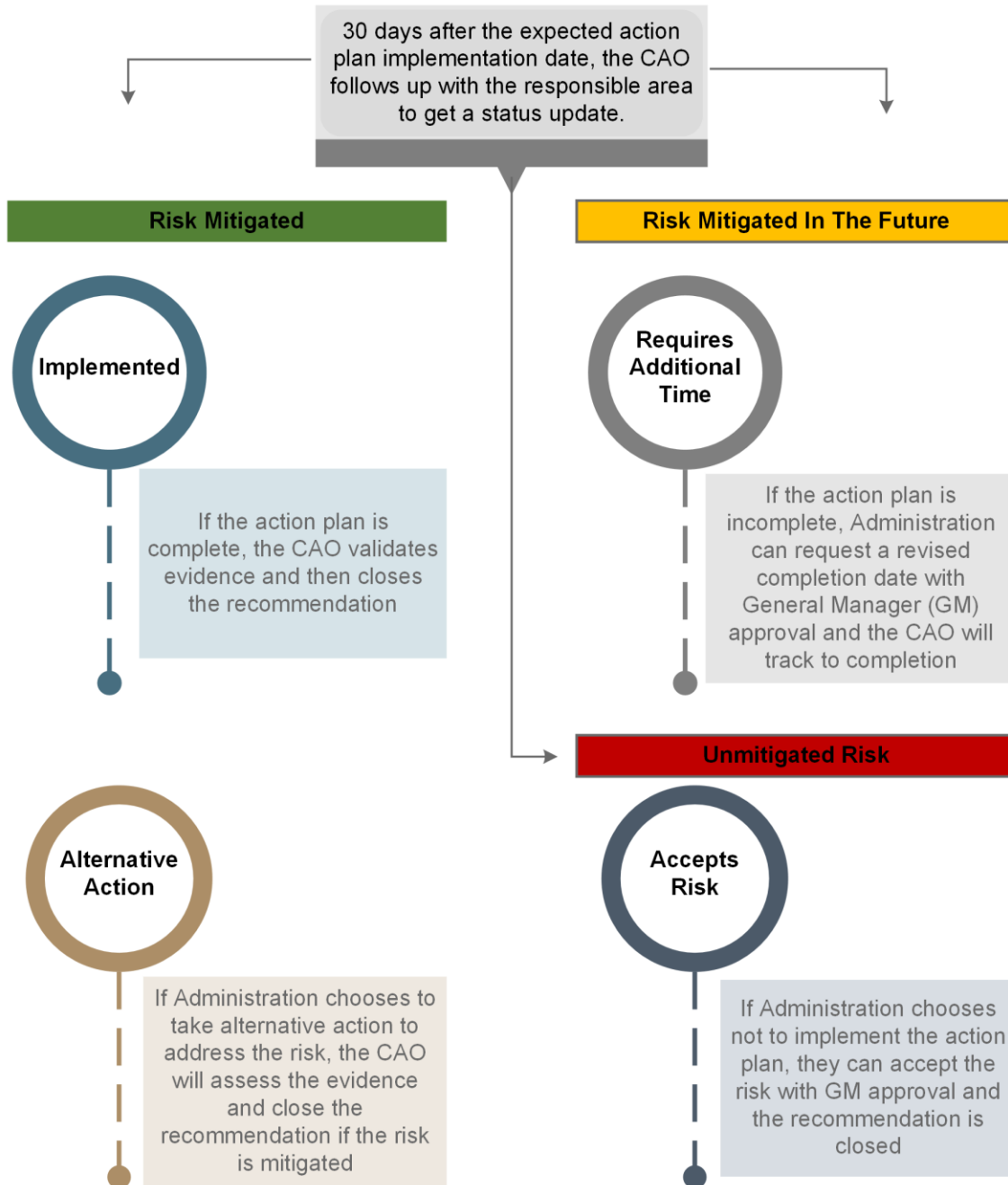
- 5 Closed - Implemented (Q2 - 60%) — 36%
- 1 Closed- Alternative Mitigation (Q2- 20%) — 7%
- 8 Required Additional Time (Q2 - 20%) — 57%

Outstanding Recommendations # of Revised Date Requests

Recommendation	1st revised date	2nd revised date	3rd revised date
AC2023-0230 Partners	1		
AC2023-0049 Infrastructure Services	1		
AC2022-0727 Infrastructure Services	1		
AC2021-0923 People, Innovation & Collaboration Services		4	
AC2021-0313 Law, Legislative Services & Security			1

# of Revised Date Requests

2. Initiative Briefing: Recommendation Follow-up Process

The City Auditor's Office (CAO) follows up on all audit recommendations to verify action plans have been completed or the City of Calgary's Executive Leadership Team have accepted the risk of not taking action. In alignment with Institute of Internal Auditors (IIA) Standards, our systematic process operates continuously throughout the year identifying and escalating any significant risk exposure to Administration and Audit Committee.

30 days after the expected action plan implementation date, the CAO follows up with the responsible area to get a status update.

Risk Mitigated

Implemented

If the action plan is complete, the CAO validates evidence and then closes the recommendation

Risk Mitigated In The Future

Requires Additional Time

If the action plan is incomplete, Administration can request a revised completion date with General Manager (GM) approval and the CAO will track to completion

Unmitigated Risk

Alternative Action

If Administration chooses to take alternative action to address the risk, the CAO will assess the evidence and close the recommendation if the risk is mitigated

Accepts Risk

If Administration chooses not to implement the action plan, they can accept the risk with GM approval and the recommendation is closed

The City Auditor's Office reports quarterly on follow-up activities (See page 3), including action plan status and details on requests for additional time (See page 7). The City Auditor will share unmitigated risk exposure concerns at Audit Committee.

2023 Audit Plan – Status as at September 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	Complete /reported 7/19/2023
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.	Q4	Reporting
2	Green Line Program Risk Management	An operational audit of the Green Line Program's risk management process.	Q3	Complete /reported 7/19/2023
3	Community Safety Initiative	An operational audit of the effectiveness of Administration's Partner Agency Liaison initiative to address encampments.	Q3	Complete /reported 9/21/2023

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	Reporting
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.	Q4	Reporting
6	Financial Reserves	An operational audit of the effectiveness of the management of City of Calgary financial reserves.	Q1 2024	Fieldwork
7	Cloud Vendor and Solution Management	An IT audit to review processes for identifying, assessing, and monitoring cloud software solutions and vendors.	Q4	Reporting
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	Planning
9	Streetlights	An operational audit of streetlights maintenance and repair.	Q1 2024	Fieldwork
10	Project and Portfolio Management Tool (P2M)	An operational audit of the Utilities Delivery Business Unit's utilization of P2M.	Q2 2024	Planning

Q3 2023 Recommendation Follow-up– In-Progress Action Plan

Report # & Title	# of Revisions	Revised Date	Recommendation[1]
AC2021-0313 Cyber Security Incident Response	3	March 31, 2024	#6a) Details of this recommendation are confidential.
AC2021- 0923 311 Response	2	March 31, 2024	#2- The Director, Customer Service & Communications, establish a 311 governance and accountability framework, to support a standardized approach to citizen communication.
AC2021- 0923 311 Response	2	March 31, 2024	#3- The Director, Customer Service & Communications, incorporate into a 311 governance and accountability framework (recommendation 2) a standardized approach to SR resolution, including communication of resolution and timelines to citizens, along with an exception process, and a regular review cycle of high volume SR to identify and address resolution issues.
AC2021- 0923 311 Response	2	March 31, 2024	#4- The Director, Customer Service & Communications, incorporate into a 311 governance and accountability framework (recommendation 2) SR timeline and monitoring expectations.
AC2021- 0923 311 Response	2	March 31, 2024	#5- The Director, Customer Service & Communications, incorporate into a 311 governance and accountability framework (recommendation 2) a digital tool working group to support the future establishment of SR in digital tools.
AC2022-0727 Calgary Recreation Infrastructure Investment	1	December 31, 2023	#3 The Director, Capital Priorities and Investments, define and implement quantifiable equity criteria into the infrastructure investment and City portfolio management processes for infrastructure supporting services where Council have indicated that equity is a key priority.
AC2023-0049 Real Estate & Development Services Enhanced Rationalization Program	1	March 29, 2024	#1b) The Coordinator of Enhanced Rationalization refine the Enhanced Rationalization program mandate and objectives to be specific, measurable, attainable, relevant, and time-bound and once approved by the Corporate Land Committee, prepare a risk management strategy to support program success.
AC2023- 0230 Calgary Housing Company Vendor Procurement and Management	1	December 31, 2024	#3a) The Chief Finance and Risk Officer reinforce responsibilities for Maintenance and Operations, to complete and retain Inspection Reports for services over $4,000.

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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."