



Calgary

City Auditor's Office

**4th Quarter 2023 Report
October 1, 2023 – December 31, 2023**

January 18, 2024

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1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q3 2023	Q4 2023
Efficiency	On Track to Annual Plan	Q1-22% Q2-56% Q3-84% Q4-95%	72%	95%
Effectiveness	Timely Implementation of Audit Rec.	65%	67%	80%
Quality	Client Satisfaction	85%	93%	92%
Staff	Training Plan Achieved	90%	100%	95%

Budget (\$'000's)			
Category	2023 Annual Budget	Actual to Date	Variance
Salary	2,955	2,730	225
Tools & Technology	162	137	25
Training	63	57	6
Professional Memberships	19	17	2
Contracted Services	150	111	39
Employee Recognition	3	1	2
Operating Costs	48	43	5
Total	3,400	3,096	304

Whistle-blower Program Activity

New Reports (Q4 – 2023)

28

Reports by Quarter

Quarter	Number of Reports
Q4 22	21
Q1 23	29
Q2 23	24
Q3 23	24
Q4 23	28

Active Investigations (Q4 – 2023)

4

Aging of Active Investigations

Age Group	Count
< 3 months	1
3 - 6 months	1
> 6 months	2

Closed Investigations (Q4 – 2023)

3

Classification of Substantiated Allegations*

Classification	Count	Percentage
Conflict of Interest	3	100%

Recommendation Follow-up

Results of 11 Recommendations Due in Q4 (Q3 2023 - 14)

Category	Count	Percentage
8 Closed - Implemented (Q3 - 36%)	8	36%
1 Closed- Alternative Mitigation (Q3- 7%)	1	7%
2 Required Additional Time (Q3 - 57%)	2	57%

Outstanding Recommendations # of Revised Date Requests

Recommendation ID	Service Area	Revised Date Requests
AC2022-0727	Infrastructure Services	1 (1st revised date)
AC2021-0313	Law, Legislative Services & Security	3 (3rd revised date)

*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

2. Initiative Briefing – Assurance Mapping

In May 2022 the Institute of Internal Auditors’ Quality Services team conducted an external assessment of the City Auditor’s Office audit and advisory services. The assessment concluded that the City Auditor’s Office “General Conforms” (the highest available rating) to all the Institute of Internal Auditors’ Professional Standards. The assessment also identified three value-add opportunities for continuous improvement. To address these opportunities, during 2022/23 we updated the City Auditor’s Office maturity self-assessment, and further incorporated The City’s ERM analysis into the development of the annual Audit Plan. The third opportunity for continuous improvement related to Assurance Mapping:

“Develop an assurance map of coverage across the organization of all internal and external assurance providers. Introduce the concept of the Three Lines of Defense, identify the players and their roles and indicate previous and planned coverage.”

The City does not have a centralized compliance function that records all City controls/assurance provided in one location. In addition, the assurance landscape is dynamic in terms of both requirements and provision: for example the future assurance requirements regarding public climate disclosures are currently being developed by the relevant professional bodies. Given these factors, to make best use of available resources, the City Auditor’s Office has developed a road map to create a series of five point-in-time assurance maps on topics that are of high priority to Audit Committee.

	Principal Corporate Risk	Priority Assurance Topic	Initial Map	Update Map
1	Sustainable City	Climate	2024	2026
2	Employee Experience	Safety	2024	
3	Capital Infrastructure	Infrastructure Condition	2025	
4	Technological Disruption	Cyber Security	2025	2026
5	Financial Sustainability	Investments	2026	

To create this road map, we utilized ERM’s annual Principal Corporate Risk analysis, and selected five Risks. Within these Risks we identified a priority assurance map topic that is both significant in terms of risk to The City, and sits within a more complex assurance landscape where there may be multiple providers of assurance, both internal and external.

We will typically complete the assurance mapping during the first half of each year to best support alignment to the development of the Audit Plan during Q3, as the assurance mapping exercise will provide key information regarding holistic provision of assurance at The City and support identification of topics where there is no recent or planned assurance.

We will complete the assurance maps by holding conversations with key leaders of the relevant areas and creating a table detailing internal and external assurance provided and planned. Following the initial completion of the five assurance maps, we will revisit the selected priority assurance topics and adjust if necessary to create the most value-add assurance maps. We will also update maps where assurance requirements are likely to be dynamic. The first assurance map (Climate) is attached for reference as the Appendix to this Attachment.

2023 Audit Plan – Status as at December 31, 2023

2023 Audit Plan				
#	Title	Description	Report Target	Status
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	Complete /reported 11/9/2023
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.	Q1 2024	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	Complete /reported 11/9/2023
6	Financial Reserves	An operational audit of the effectiveness of the management of City of Calgary financial reserves.	Q1 2024	Reporting
7	Cloud Vendor and Solution Management	An IT audit to review processes for identifying, assessing, and monitoring cloud software solutions and vendors.	Q1 2024	Reporting
8	Safety Management	An operational audit of the effectiveness of the Occupational Health & Safety Business Unit's monitoring and mitigation of safety incidents.	Q2 2024	Reporting
9	Streetlights	An operational audit of streetlights maintenance and repair.	Q1 2024	Reporting
10	Project and Portfolio Management Tool (P2M)	An operational audit of the Utilities Delivery Business Unit's utilization of P2M.	Q2 2024	Fieldwork
2024 Audit Plan Brought Forward				
1	Climate & Environment - Clean Energy Improvement Program	An operational audit of the Clean Energy Improvement Program. <i>Principal Corporate Risk: Sustainable City</i>	Q2 2024	Planning
2	Water Services - Water Metering	An operational audit of the effectiveness of The City's water metering processes and policies. <i>Principal Corporate Risk: Service Delivery</i>	Q2 2024	Planning

Q4 2023 Recommendation Follow-up– In-Progress Action Plan

Report # & Title	# of Revisions	Revised Date	Recommendation ¹
AC2021-0313 Cyber Security Incident Response Follow-up	3	March 31, 2024	#6b) Details of this recommendation are confidential.
AC2022-0727 Calgary Recreation Infrastructure Investment	1	December 31, 2023	#1 The Director, Capital Priorities and Investments, design and implement a process and supporting guidance to address ad hoc opportunities for infrastructure investments that arise outside The City's four-year budget cycle.

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."

Appendix – Climate Assurance Map

Calgary Climate Strategy	Internal Assurance	City Auditor’s Office	External Assurance
<p>Climate Reporting Framework Comprised of Corporate Performance Report, Annual Financial Report, & Climate Progress Report</p>			<p>December 2023 CDP² - Assessment of city as A-list and Gaps Report assessment of quality of reporting and improvements.</p>
<p>Key Climate Metrics³</p>			
<ul style="list-style-type: none"> Primary Climate Investment 			
<ul style="list-style-type: none"> Calgary community-wide greenhouse gas (GHG) emissions Corporate greenhouse gas emissions 			<p>Planned: 2024 Consultant - Review community and corporate GHG emissions inventories and methodologies and update the quantification methodology to align with internationally recognized standards.</p>
<ul style="list-style-type: none"> Carbon Budget – Corporate & Community 			
<ul style="list-style-type: none"> TAMD Score 			
<ul style="list-style-type: none"> Projected Community Climate Risk Index 			
<ul style="list-style-type: none"> Citizen Perspectives 			
<p>Annual Financial Report</p>			
<ul style="list-style-type: none"> Annual expenditure by segment which may include climate-related information as climate-related financial disclosure for the public sector and accounting standards are developed and evolve. 			<p>To Be Determined External Financial Auditor may provide assurance dependent on changes to future public sector accounting standards.</p>
<ul style="list-style-type: none"> Climate governance and strategy around climate-related risks and opportunities and how these impact planning and financial decisions. 	<p>November 2023 Elevate Calgary - Corporate Climate Governance Maturity Assessment</p>		
<p>Climate Initiatives</p>		<p>Planned: 2024 Clean Energy Improvement Program Audit</p>	

² CDP is a global, non-profit charity that runs the world’s disclosure system for cities to assess their environmental impact and drive the urgent action needed to reduce their GHG emissions, safeguard water resources and protect forests. To score an A, a city must participate in the One Planet City Challenge, disclose publicly through CDP, have a city-wide emissions inventory and have a published climate action plan.

³ Included in one or more Climate Reporting Framework Reports.