

Downtown Calgary Development Incentive Program Audit

PURPOSE

The purpose of this report is to communicate the outcome of the Downtown Calgary Development Incentive Program Audit, including Administration's response and corrective actions.

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. In accordance with Bylaw 30M2004 (as amended), the City Auditor reports the outcome of all audits to the Audit Committee (including Administration's response and corrective actions to be taken in regard to specific recommendations). The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

RECOMMENDATIONS:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.
3. Recommend that Attachment 1 to Report AC2024-0238 remain confidential pursuant to Sections 16(1) of the Freedom of Information and Protection of Privacy Act, to be reviewed by 2039 February 15.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 FEBRUARY 15:

That Council:

1. Receive this report for the Corporate Record; and
2. Direct that Attachment 1 to Report AC2024-0238 remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2039 February 15.

HIGHLIGHTS

- What does this mean to Calgarians? The City Auditor's Office provides independent and objective audit assurance services to add value to The City of Calgary and enhance public trust.
- Why does it matter? The City Auditor's Office approved 2023 Audit Plan included a Downtown Calgary Development Incentive Program Audit to assess the effectiveness of the Program's incentive administration process. As of March 2023, \$130M has been allocated to 13 office-to-residential conversion projects. Given the significance of the investment, and

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high priority to Council, an effectively administered Incentive Program is vital to ensure fairness, enhance transparency, and mitigate associated reputational risks to The City and attract future Incentive Program applicants.

RISK

Recommendations in this audit report support Administration in their on-going improvement and mitigation activities related to the Reputational Principal Corporate Risk.

ATTACHMENT

1. CONFIDENTIAL Downtown Calgary Development Incentive Program Audit

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve
David Duckworth	Chief Administrative Officer	Inform
Carla Male	Chief Financial Officer	Inform
Stuart Dalglish	Chief Operating Officer	Inform
Debra Hamilton	Acting General Manager, Planning and Development Service	Inform
Thom Mahler	Director, Downtown Strategy	Inform
Sheryl McMullen	Manager, Investment & Marketing	Inform

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City Clerks: A. Degrood / C. Doi