



**Calgary**

City Auditor's Office

# **3rd Quarter 2017 Report July 1, 2017 – September 30, 2017**

**December 14, 2017**

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City Auditor**

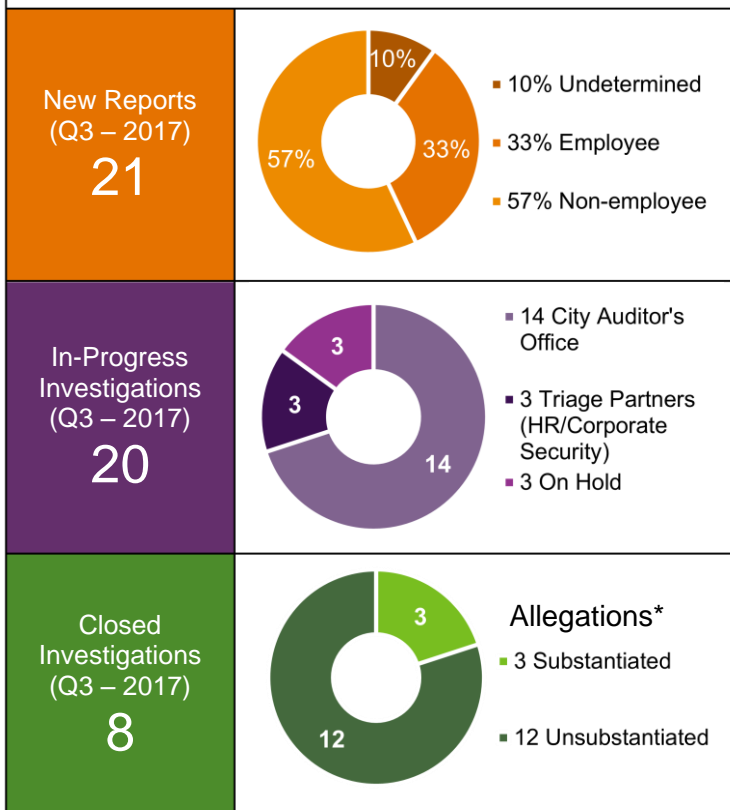
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## 1. Status Update

## Key Performance Indicators

Measure Area	Performance Indicator	Target	Q2	Q3
Efficiency	On Track to Annual Plan	Q2-50% Q3-75%	46%	66%
Efficiency	Project Hours Variance	-10% - +10%	-8%	-13%
Effectiveness	Recommendation Agreement	95%	100%	100%
Effectiveness	Timely Implementation of Recommendations	None	76%	59%
Quality	Client Satisfaction	75%	100%	98%
Staff	Training Plan Achieved	90%	94%	100%
Staff	Average Years of Service	3.5	4.1	4.3

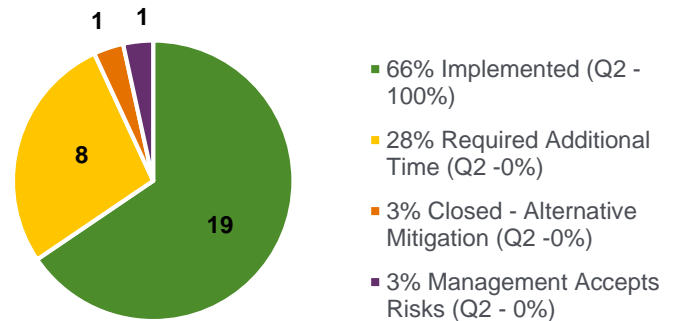
## Whistle-blower Program Activity



\*Corrective Actions/Recommendations are published at [www.calgary.ca/whistle](http://www.calgary.ca/whistle)

## Recommendation Follow-up

## Results of 29 recommendations due in Q3 (Q2 - 29)

Outstanding Recommendations  
# of Revised Date Requests

## Operating Budget (\$'000's)

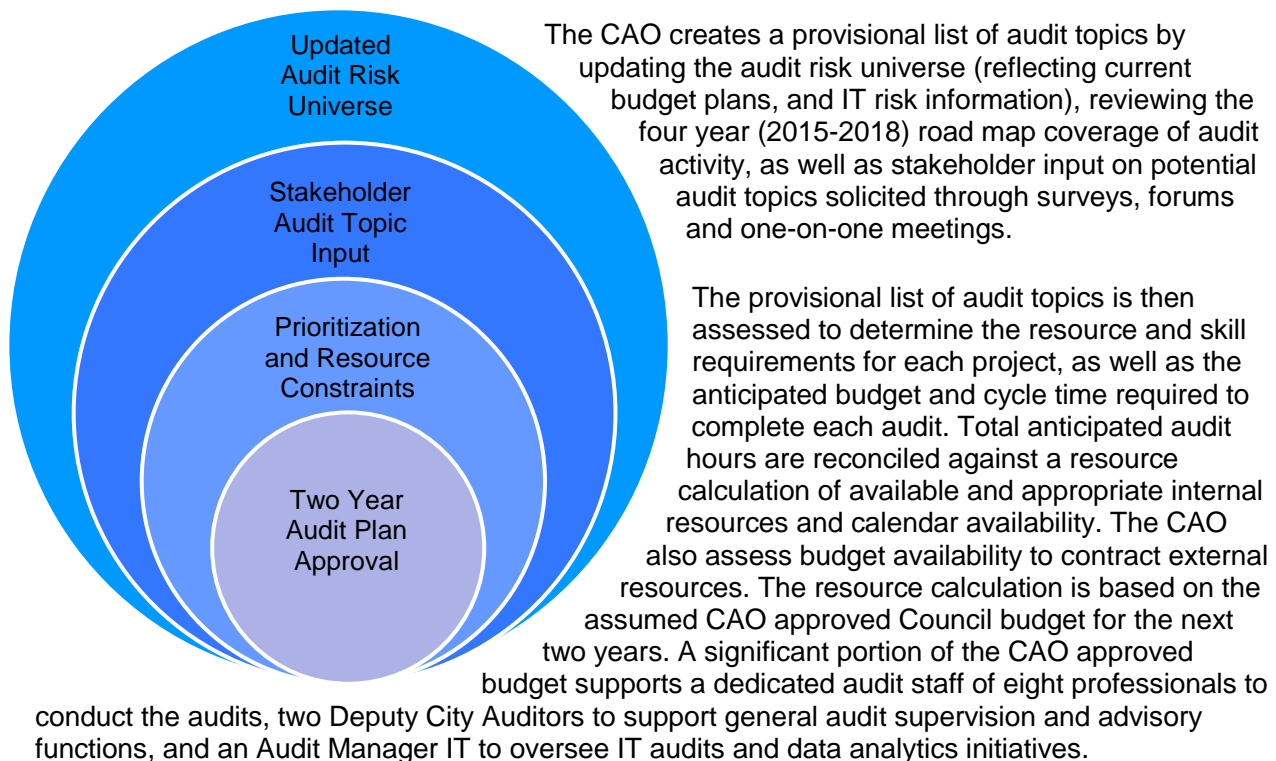
	2017 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Salary	2,619	1,965	1,745	220
Contracts	135	112	50	62
Training	65	49	46	3
Other	131	101	95	6
<b>Total</b>	<b>2,950</b>	<b>2,227</b>	<b>1,936</b>	<b>291*</b>

\*Variance due to staff vacancies.

## 2. Initiative Briefing: Annual Audit Plan Process

The CAO utilizes a two year rolling Annual Audit Plan, which is updated annually and presented to Audit Committee for approval and to Council for information. The intent of presenting a two year plan is to provide additional transparency on future audits and provide greater agility for the City Auditor's Office to utilize available resources to support earlier initiation of year two audits where efficiency gains have been realized through early completion of year one audits. The CAO utilizes a risk based planning approach, and as such, projects in year one have more certainty than those listed in year two. The intent of the audit planning process is to focus audit resources on those higher risks that could impact the achievement of Council Priorities.

The process of determining the audit topics proposed in the Annual Audit Plan is set out in the diagram below.



The CAO shares the draft plan with other assurance groups operating within The City including the City team overseeing the Zero Based Reviews (ZBRs), the internal audit function of Calgary Police Service and the External Auditor. The two year Audit Plan is then presented for Audit Committee approval, and to Council for information.

As 2019 represents the beginning of a new four year budget and business plan for the City, the next two year plan will be presented to Audit Committee at the September 2018 meeting. The 2019-2020 CAO Annual Audit Plan will reflect a new service based audit risk universe, an updated 2019-2022 road map coverage of audit activity, and stakeholder input from Administration and Council.

## 2017/2018 Annual Audit Plan – Status as at September 30, 2017

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
2016 In-progress				
1	Landfill	An operational audit assessing the effectiveness of processes established to meet business objectives.	Q1	Complete Reported March
2	POSSE System	An IT audit focusing on the data integrity and sustainability of the business application.	Q1	Complete Reported March
3	New Central Library	An operational audit to provide assurance the project is on track and will meet business objectives of time, cost and quality.	Q1	Complete Reported January
4	Community Associations	An operational audit on Calgary Neighbourhoods' support of Community Associations.	Q1	Complete Reported June
5	Human Resources – Succession Planning	An operational audit assessing the effectiveness of succession planning strategies conducted across the organization.	Q2	Complete Reported June
Risk Assessed Priority: 2017				
1	Transit Fare Revenue (previously reflected as Transit Fleet Management)	An operational audit assessing the effectiveness of controls over the safe keeping of fare revenue.	Q2	Complete Reported April
2	IT Follow-up	A follow-up audit focused on management actions in response to previous CAO audit recommendations raised over the last 5 years.	Q2	Complete Reported July
3	911 Call Centre	An operational audit evaluating the efficiency of tools and resources employed in the emergency call handling processes.	Q3	Complete Reported September

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
4	Green Line LRT	An operational audit on the effective utilization of citizen engagement to support the objectives of the capital project. This is the first in a series of audits on Green Line LRT to be conducted over the lifespan of the project.	Q3	Fieldwork  Revised Report Target: Q1 2018
5	Utility Billing	A follow-up audit focused on management actions in response to control improvement recommendations raised in a 2012 CAO advisory activity.	Q3	Complete  Reported September
6	Corporate Facilities/Asset Management	An operational audit which continues an original CAO audit conducted in 2013.	Q4	Reporting
7	Treasury Management	An operational audit of treasury (cash flow) management.	Q4	Not Started  Revised Report Target: Q2 2018
8	Procurement	A follow-up audit which will focus on management actions to address recommendations raised in previous CAO audits (from 2009 to current).	Q4	Fieldwork  Revised Report Target: Q1 2018
9	Cyber Security Incident Response	An IT audit assessing the effectiveness of response processes established to support and protect critical data from cyber-attacks.	Q1, 2018	Planning  Revised Report Target: Q2 2018
10	New Central Library Project	An operational audit on the readiness of Calgary Public Library and The City of Calgary to assume hand-off from the Calgary Municipal Land Corporation of the New Calgary Central Library.	Q1, 2018	Fieldwork

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
11	Corporate Credit Card (Data Analytics)	A compliance audit utilizing data analytics to assess the effectiveness of related Corporate Credit Card compliance and fraud prevention controls.	New	Fieldwork  New addition to plan: Target Q1 2018
Risk Assessed Priority: 2018				
1	Employee Expenses	A compliance audit of employee expenses utilizing data analytics.	Q2, 2018	Not started
2	2017 Election Day	A management request (City Clerk's Office) to conduct a root cause analysis review of the issues which occurred on the 2017 election day and to evaluate proposed strategies to improve the election day process.	Q3, 2018	Not started
3	Open Data Program	An operational audit of the Open Data Program governance.	Q3, 2018	Not started
4	Real Estate Acquisitions (Green Line LRT)	An operational audit assessing the real estate acquisitions related to the Green Line LRT.	Q3, 2018	Not started
5	Annual Control Environment Assessment	An operational audit assessing control activities which support COSO Principle 10: Selects and Develops Control Activities.	Q4, 2018	Not started
6	Bonnybrook Plant D Expansion	An operational audit of the Bonnybrook Plant D Expansion capital project.	Q4, 2018	Not started
7	Community Planning/Calgary Approvals	An operational audit to assess the effectiveness of processes to improve permit timelines.	Q1, 2019	Not started
8	Calgary Community Standards – Livery Transport Services	An operational audit assessing the effectiveness of internal controls that support public and driver safety.	Q1, 2019	Not started

2017/18 Annual Audit Plan				
#	Title	Description	Report Target	Status
9	Calgary Parking Authority	An operational audit of Calgary Parking Authority's key internal control processes.	Q1, 2019	Not started
10	Emergency Management	An operational audit of emergency preparedness and related business continuity plans.	Q1, 2019	Not started
11	Finance System	<p>An IT audit assessing the efficiency and effectiveness of the finance system to manage budget and costs.</p> <p><i>This audit will be deferred to 2019 as upgrades to the finance system are planned during 2018.</i></p>	TBD in 2019	Not started