



**Calgary**

City Auditor's Office

**3rd Quarter 2025 Report  
July 1, 2025 – September 30, 2025**

**November 20, 2025**

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# 1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	Q2 2025	Q3 2025
Efficiency	On Track to Annual Plan	Q1-29% Q2-69% Q3-86% Q4-95%	60%	77%
Effectiveness	Timely Implementation of Audit Rec.	65%	80%	80%
Quality	Client Satisfaction	85%	99%	94%
Staff	Training Plan Achieved	90%	100%	100%

Budget (\$'000's)				
Category	2025 Annual Budget	Q3 Cumulative Budget	Actual to Date	Variance
Salary	3,335	2,490	2,433	57
Tools & Technology	160	123	122	1
Training	66	50	42	8
Professional Memberships	18	14	16	-2
Contracted Services	300	89	92	-3
Employee Recognition	3	2	0	2
Operating Costs	48	41	43	-2
<b>Total</b>	<b>3,930</b>	<b>2,809</b>	<b>2,748</b>	<b>61</b>

New Reports (Q3 – 2025)

## 54

**Reports by Quarter**

Quarter	Reports
Q3 24	34
Q4 24	36
Q1 25	35
Q2 25	40
Q3 25	54

Active Investigations (Q3 – 2025)

## 7

**Ageing of Active Investigations**

Ageing Category	Count
< 3 months	1
3 - 6 months	4
6 - 12 months	2

Closed Investigations (Q3 – 2025)

## 4

**Classification of Substantiated Allegations\***

Category	Count
Ethical Conduct	5
Inappropriate Use of Personal Loyalty Reward Programs	1

**Recommendation Follow-up**

**Results of 20 Recommendations Due in Q3 (Q2 2025 - 19)**

Category	Count	Percentage
19 Closed - Implemented	19	89%
1 Required Additional Time	1	11%

**Outstanding Recommendations # of Revised Date Requests**

Recommendation ID	# of Revised Date Requests
AC2025-0099 Operational Services	1

\*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](http://www.calgary.ca/whistle)

## 2. Initiative Briefing – Artificial Intelligence

For municipalities, artificial intelligence (AI) offers powerful opportunities to enhance efficiency, improve public services, and inform policymaking. However, these benefits are balanced by significant risks related to data privacy, algorithmic bias, and public trust that must be proactively managed. The City Auditor’s Office is committed to supporting the City of Calgary in balancing these risks and opportunities through targeted audit and advisory projects. AI also provides significant opportunities for audit teams to enhance their efficiency and effectiveness in delivering projects. The City Auditor’s Office already uses generative AI throughout audit and advisory projects and continually considers the application of emerging technologies e.g. agentic AI. Key recent initiatives and projects are:

Our Use of AI	Our Support of City of Calgary AI Utilization
<p><b>AI Framework</b> We developed and rolled out an AI framework to advance the responsible use of AI within the City Auditor's Office. This framework focuses on guiding principles and aligns with The City of Calgary’s guiding principles for AI, the Global Internal Audit Standards and industry best practice. We utilize AI tools that have been approved for use by the City of Calgary, and document where and how we use AI in our projects.</p>	<p><b>2025 Data Governance Audit</b> Effective data governance is critical to support the utilization of AI because it provides the necessary framework to ensure high-quality, secure, and compliant data, which is essential for reliable AI outcomes, preventing bias and errors, managing risks, and adhering to application laws and regulations. This audit is in fieldwork, utilizing the COBIT framework as good practice criteria, and expected to conclude in Q1 2026.</p>
<p><b>TeamMate+ AI Editor</b> Our audit software rolled out an AI Editor functionality during Q3 2025. This embedded generative AI writing engine enhances audit documentation by offering context-aware suggestions to improve clarity, tone, and summaries helping minimize the risk of inappropriate, inaccurate, or irrelevant output. We worked with the vendor and City of Calgary Law to assess the risks and amend our contract to support utilizing this new functionality.</p>	<p><b>2025 AI Governance Advisory Project</b> The Institute of Internal Auditors endorses that where high-risk areas are at earlier stages of maturity, advisory projects are an appropriate mechanism for audit teams to add value. We are currently supporting City of Calgary IT with an advisory project focused on the development of an AI Audit Framework. Our work has included input on AI system risk classification, controls, and auditing standards.</p>
<p><b>Data Analytics</b> We are piloting two Azure services (Azure Open AI + Azure Document Intelligence) to deliver our 2025 Data Analytics project on employee expenses. We obtained City of Calgary approval for this tool following IT’s processes during Q3 as it supports analysis of text fields in approved expenses, enhancing the efficiency and effectiveness of the analytics.</p>	<p><b>2026 Advisory Project</b> Our draft 2026 Audit Plan includes an advisory project aimed at providing further support to City of Calgary IT in establishing a strong framework to support a strategic, measured approach to AI utilization.</p>

## 2025 Audit Plan – Status as at September 30, 2025

2025 Audit Plan				
#	Title	Description	Report Target	Status
<b>2024 Audit Plan Carry Forward</b>				
1	Community Association Support	An operational audit of the Neighbourhood Partnership Coordinator Team's Community Association support.  <i>Principal Corporate Risk: Service Delivery</i>	Q1	Complete/ Reported 2/20/2025
2	Corporate Security – Cyber Security	An IT audit to assess the effectiveness of activities to detect the occurrence of cyber security events within The City's IT environment.  <i>Principal Corporate Risk: Technological Disruption</i>	Q2	Complete/ Reported 4/22/2025
3	Community Planning -Local Area Plan Process	An operational audit to assess the effectiveness of engagement in the Local Area Plan Process.  <i>Principal Corporate Risk: Reputation</i>	Q2	Complete/ Reported 5/28/2025
4	Utilities Delivery - Project Management	An operational audit assessing the effectiveness of the project management of the Deer Run Sanitary Lift Station.  <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2	Complete/ Reported 4/3/2025
5	Supply Management - Corporate Supply Chain Resilience Strategy	An operational audit of Supply Management's processes that support the Corporate Supply Chain Resilience Strategy.  <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2	Complete/ Audit replaced by an advisory project on the same topic. 3/13/2025

2025 Audit Plan				
#	Title	Description	Report Target	Status
1	Pension Compliance	A compliance audit as required by Alberta Pension Services providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire and SFPP).  <i>Principal Corporate Risk: Employee Experience</i>	Q2 <sup>1</sup>	Complete/ Reported 6/30/2025
2	Transit Safety	An operational audit to assess the effectiveness of the implementation of The City of Calgary's Public Transit Safety Strategy.  <i>Principal Corporate Risk: Social Wellbeing</i>	Q2	Complete/ Reported 5/23/2025
3	2025 Municipal Election	An operational audit assessing readiness to deliver the 2025 Municipal Election.  <i>Principal Corporate Risk: Reputation</i>	Q3	Complete/ Reported 9/10/2025
4	Asset Maintenance - Bridges	An operational audit of The City's maintenance of bridges.  <i>Principal Corporate Risk: Capital Infrastructure</i>	Q3	Complete/ Reported 9/10/2025
5	Home is Here	An operational audit of The City's implementation of Objective 1a of Home is Here, The City of Calgary's Housing Strategy 2024-2030: making more City-owned real property assets available for housing in all communities.  <i>Principal Corporate Risk: Social Wellbeing</i>	Q4	Reporting
6	Equity, Diversity, Inclusion and Belonging (EDIB) Work Plans	An operational audit of the development and implementation of EDIB Work Plans supporting The City of Calgary's EDIB Framework and Strategy.  <i>Principal Corporate Risk: Employee Experience</i>	Q4	Reporting

<sup>1</sup> Report to Alberta Pensions Services on June 30, 2025

2025 Audit Plan				
#	Title	Description	Report Target	Status
7	Business Licenses	An operational audit of The City's business license process.  <i>Principal Corporate Risk: Service Delivery</i>	Q1 2026	Fieldwork
8	Climate Retrofitting	An operational audit of The City of Calgary's Facilities Climate Retrofitting initiative.  <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026	Fieldwork
9	Data Governance	An operational audit to assess the effectiveness of The City of Calgary's data governance focused on data management policies and practices.  <i>Principal Corporate Risks: Service Delivery, Technological Disruption</i>	Q1 2026	Fieldwork
10	Cyber Security Governance	An IT audit to assess The City's cyber security governance against key outcomes in the NIST Cybersecurity framework.  <i>Principal Corporate Risk: Technological Disruption</i>	Q1 2026	Fieldwork
11	Follow-up: Bearspaw South Feeder Main Recommendations	A follow-up audit assessing the implementation of recommendations arising from the independent review of the Bearspaw South Feeder Main break.  <i>Principal Corporate Risk: Capital Infrastructure</i>	TBD dependent on recommendations arising from the independent review	Not Started  Will be included in the 2026 Audit Plan
12	Climate Data	An operational audit of The City's reported climate data metrics in the 2024 Annual Report, excluding GHG emissions.  <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026	Planning

### Q3 2025 Recommendation Follow-up– In-Progress Action Plans

Report # & Title	# of Revisions	Revised Date	Recommendation <sup>2</sup>
<b>AC2025-0099</b> User Account Management - Mobility Operations Centre	1	December 31, 2025	<ul style="list-style-type: none"> <li>Details of this recommendation are confidential. (see footnote)</li> </ul>

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<sup>2</sup> At the time the audit report was initially presented to Audit Committee, the recommendation details were held confidential based on Section 20(1) of the Freedom of Information and Protection of Privacy Act which stated: "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."