

GREEN LINE ENGAGEMENT AUDIT

EXECUTIVE SUMMARY

The City Auditor's Office issued the Green Line Engagement Audit report to Administration on January 15, 2018. The report includes Administration's response to six recommendations raised by the City Auditor's Office to improve the process to track and monitor communication and engagement costs, and improve the Reporting Back and Evaluation steps in the engagement process to further support transparency and accountability. Administration accepted all recommendations and has committed to the implementation of action plans no later than December 31, 2018. The City Auditor's Office will track the implementation of these commitments as part of our on-going follow-up process.

RECOMMENDATIONS

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's Office 2017/2018 Annual Audit Plan was approved on November 10, 2016. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

BACKGROUND

The Green Line Project is a large public transit infrastructure project at The City with an estimated construction cost of \$4.65B for the first stage of construction extending from 16 Avenue North to 126 Avenue Southeast. In the long term, the Green Line is planned to extend 46 km from 160 Avenue North to Seton in the Southeast. The Engage Policy defines engagement as the purposeful dialogue between The City and stakeholders to gather information to influence decision making. The Engage Framework and Tools consists of six key process steps: Engage Assessment; Develop a Plan; Tell the Story; Raise Awareness; Connect; and Report Back and Evaluate.

This audit was undertaken as part of the approved City Auditor's Office 2017/2018 Annual Audit Plan. The objective of this audit was to assess the effectiveness of engagement control activities that supported the advancement of the Green Line Project. We evaluated the extent to which engagement activities were aligned with The City of Calgary's (The City's) Engage Policy (Engage Policy) and the criteria in The City's Engage Framework and Tools. We also evaluated the design of controls over engagement cost tracking and monitoring.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Overall, engagement activities reviewed were executed in alignment with the guiding principles of the Engage Policy and the criteria identified in the Engage Framework and Tools. To support accountability and confidence in the engagement process, improvements should be made to the Reporting Back and Evaluation processes.

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The last formal milestone evaluation of Green Line public engagement processes and outcomes occurred in November 2015, although annual lessons learned meetings were held that included a communication and engagement component and evaluations were performed at the individual event level. We recommended that the Green Line Project Manager establish processes to perform formal evaluations after completion of significant engagement milestones to help demonstrate increased accountability to Calgarians and identify potential improvements to the engagement process that can be applied to future engagement. Although the audit focused on engagement activity specific to Green Line, we also identified related opportunities to update the Engage Framework and Tools to provide further standards and guidance that will benefit all future engagement at The City.

The process to track and monitor communication and engagement costs requires improvement to provide clear visibility into the total budgeted and actual cost of all related communication and engagement. Engagement plans did not include a comprehensive breakdown of budgeted engagement resources and related staff hours required to plan, implement, facilitate and close-out engagement. In addition, there was insufficient communication and engagement detail in Green Line financial reports. Our recommendations for budgeting and regular reporting and monitoring of all communication and engagement costs will help improve accountability and stewardship, which will further support effective resource allocation and the ability to evaluate engagement cost effectiveness.

Stakeholder Engagement, Research and Communication

This audit was conducted with Customer Service & Communications and Transportation Infrastructure acting as the principal audit contacts within Administration.

Strategic Alignment

Audit reports assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure.

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The City Auditor's Office plans to conduct a series of audits on the Green Line over the lifespan of the project given the project's proposed complexity and significant capital budget. This first Green Line audit, focused on citizen engagement, was undertaken since obtaining input from Calgarians and other stakeholders on integration with existing communities, route alignment, station locations, and opportunities for Transit Oriented Development is critical, given the significant investment in the Green Line project. Recommendations raised are focused on improving transparency and accountability to further mitigate reputational and financial risk.

REASONS FOR RECOMMENDATIONS:

Bylaw 48M2012 (as amended) states: "Audit Committee receives directly from the City Auditor any individual Audit Report and forwards these to Council for information."

**ATTACHMENT
AC2018-0088-GREEN LINE ENGAGEMENT AUDIT**