



Calgary

City Auditor's Office

New Central Library Readiness Audit

February 2, 2018



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The City Auditor's Office completes all projects in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

This is the third and last of three sequenced audits of the New Central Library (NCL) project, which is a significant build with a planned budget of \$245M, and an expected opening date of November 1, 2018. According to the Calgary Public Library's (CPL) NCL project *Operational Readiness Plan*, in October 2018, CPL will move current Central Library operations into the NCL. The *Operational Readiness Plan* outlines major planning components to ensure a successful transition to the NCL for CPL.

The objective of this audit was to assess the readiness¹ of CPL to assume responsibility for the New Central Library. We assessed CPL's planning, prioritization, and risk management processes that support the effective delivery of the *Operational Readiness Plan*. We reviewed the transition of existing and new services, staff and facility readiness, and security measures, as these were identified as key components to support CPL's objectives of delivering an attractive facility that performs well and is ready on Opening Day.

CPL are well-positioned to assume responsibility for the NCL based on detailed planning, prioritization and risk management processes that support the delivery the *Operational Readiness Plan*. Based on our review, we determined that CPL are on track to achieving their move-in and usage targets by setting the planning and process to deliver key services/programs, ensuring that key building operations are in place, and managing security incident risks. We observed that detailed planning, prioritization, and risk management processes had been undertaken across all three areas we reviewed.

CPL's planning documentation incorporates the transfer of existing services/programs to the NCL. In addition, in preparation for the NCL, CPL completed a *Plan for Innovation*. The *Plan for Innovation* details the offering and trial of new NCL services proposed to meet and exceed the innovation in the building design, and ultimately attract more visitors than the current Central Library. CPL set priority levels for the new services/programs to be offered and created a design guide to test and assess results for the new services/programs. CPL's plans include support for functional and performance testing of individual NCL building components and systems, as well as a detailed plan on staff and volunteers job-specific training to deliver services/programs. NCL training includes safety course sessions. To mitigate the risk of increasing numbers of security incidents, CPL use an incident reporting system to identify and assess security incidents. CPL generate information on the types of security incidents and hold weekly discussions on security.

We raised three recommendations focused on refining transition objectives, and associated monitoring and reporting. These refinements will further assist CPL in ensuring that key services and training goals are fully achieved by Opening Day. CPL have agreed with our recommendations, and have indicated in their responses a commitment to implement action plans no later than February 28, 2018. The City Auditor's Office will follow-up on all commitments as part of our ongoing recommendation follow-up process.

¹ Readiness is defined for this audit as the ability to provide library services in the NCL throughout the first month of operation.

1.0 Background

The New Central Library (NCL) project has a budget of \$245 million, and is expected to be completed by Q4 2018. The project is being managed by the Calgary Municipal Land Corporation (CMLC) on behalf of the City of Calgary's Community Services (CS) and the Calgary Public Library (CPL). In 2015 and 2016, the City Auditor's Office undertook audits of the NCL's project management framework, governance structure, and project management's use of tools and techniques to monitor the project's schedule, cost, and quality performance. The audits resulted in an assessment that a robust governance oversight was established, utilizing a PMBOK²-based framework, and the project management team designed and implemented project controls to effectively support project objectives of completing the project within the approved budget, meeting approved quality requirements, and identifying and responding to risks.

The CPL's NCL project *Operational Readiness Plan* states that in October 2018, the CPL will move the current Central Library operations into the NCL. This is the largest move the CPL has undertaken. The project objective is articulated in the *Operational Readiness Plan* as "move in to NCL planned and smoothly executed in sufficient time for full operation on Opening Day, November 1, 2018." The *Operational Readiness Plan* outlines move plan components (Table 1) to ensure that the NCL project is on track for a handover date of October 1, 2018 and an opening date of November 1, 2018. The move to NCL and the handover processes include change management activities, communication among CPL departments and stakeholders involved in the move-in process, and CPL tracking the achievement of deliverables. Metrics for the *Operational Readiness Plan* include staff readiness, facility operations, building security, and Information Technology (IT) systems.

Table 1 – NCL Project Operational Readiness Move Plan Components and Metrics

Move Plan Components	Metrics
NCL staff are in place with required training	NCL staff hired and trained by September 1, 2018
Building security systems in place	Security team familiar with the NCL, trained in Library services, and familiar with NCL systems by September 15, 2018
Handover date	October 1, 2018
IT network infrastructure and building security integration (installation and testing)	Complete by October 1, 2018
Well-prepared volunteers in place and trained	Volunteers recruited and trained by October 3, 2018
All building systems installed, tested and fully functional	All systems tested and operational by October 15, 2018
<i>Plan for Innovation</i> services developed, tested, and implemented in NCL	New services/programs piloted in advance of launch at NCL; all materials and staff training required for new services by October 15, 2018
Opening date	November 1, 2018

Sources: NCL Project Operational Readiness Plan and NCL Move – Project & Change Management Plan

² The Project Management Institute's Project Management Body of Knowledge

The service strategy component of the *Operational Readiness Plan* is supported by the *Plan for Innovation*, which has been created to build upon the existing CPL programs and services, with the intention that services offered in the NCL meet and exceed expectations. CPL expect to combine the transition and expansion of existing Central Library services and operations with successful test items from the *Plan for Innovation* to achieve their NCL usage targets.

2.0 Audit Objectives, Scope and Approach

2.1 Audit Objective

The objective of this audit was to assess the readiness of CPL to assume responsibility for the New Central Library.

Readiness is defined for this audit as the ability to provide library services in the NCL throughout the first month of operation.

2.2 Audit Scope

The scope of the audit included CPL's planning, prioritization, and risk management processes that support the delivery of the *Operational Readiness Plan*. The content and format of services provided by CPL were not included in the audit scope.

2.3 Audit Approach

Our audit approach included the following:

- Review of the *Operational Readiness Plan*, and supporting documentation including the *Plan for Innovation* and other applicable plans and metrics, to determine whether CPL is mitigating the following risks:
 - Key services/programs are not offered;
 - Occurrence of significant security incidents; and
 - Key building operations and resourcing are not in place.
- Interviews with CPL staff associated with the NCL project.

3.0 Results

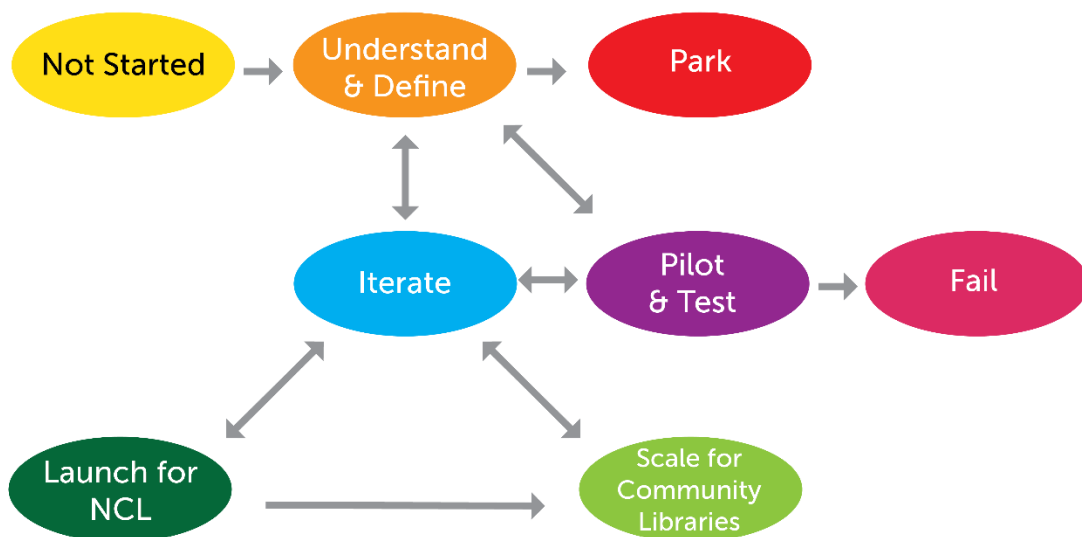
CPL have implemented planning, prioritization, and risk management processes that will assist them in effectively delivering the *Operational Readiness Plan* and assuming responsibility for the NCL. We evaluated the transition of existing and new services, staff and facility readiness, and security measures. We concluded that CPL are on track to achieving their move-in and usage targets by setting the planning and process to deliver key services/programs, ensuring that key building operations are in place, and managing security incident risks. We raised three recommendations focused on refining transition objectives, and associated monitoring and reporting. These refinements will further assist CPL in ensuring that key services and training goals are fully achieved by Opening Day.

3.1 Services/Programs offered at the NCL

CPL have detailed plans in place to support the transition of existing Central Library services/programs to the NCL. A cross-functional team meets weekly to discuss overall

preparations and readiness for transitioning services/programs to NCL. There are specific milestones for the existing services/programs to be transitioned. CPL have also created the *Plan for Innovation* to build upon existing services/programs to ensure that the services offered at the NCL meet and exceed the innovation in the building design, and ultimately attract more visitors than the current Central Library. The *Plan for Innovation* lists 87 services/programs to be defined, tested, and, if successful, launched for the NCL. CPL have effectively set priority levels for the services/programs, created a design guide describing the process from concept to testing to assessing results, and tracked progress for the services/programs (Illustration 1).

Illustration 1 – NCL Plan for Innovation Design Process



Source: *NCL Plan for Innovation* – July 2017

CPL management plans to have at least 50% of the Priority 1 services/programs offered when the NCL opens, but does not currently set an objective for the prioritization of these services ahead of Opening Day. Focusing on the Priority 1 services/programs will provide enhanced information to assist CPL in meeting their NCL usage targets. We recommended an update to CPL's planning documentation to reflect CPL's projection of at least 50% of the Priority 1 services/programs to be piloted and launched when the NCL opens (Recommendation 1).

3.2 Operational Readiness

We reviewed details of the *Operational Readiness Plan* and supporting planning documentation to determine whether the project is on track to ensure that operations are fully functional on Opening Day. We observed that planning documentation contains detailed information to support a fully functional NCL on Opening Day. To ensure that the NCL building systems (heating, ventilating, water, electrical) are functional on Opening Day, CPL's plans include support for the commissioning work (led by CMLC) by assigning staff to implement functional and performance testing of individual NCL building components and system interactions during construction. To support the completion of IT systems upgrades and equipment installation, CPL have devised an *Information Technology NCL Roadmap* with a

defined timeline, roles and responsibilities to test IT system and application upgrades, and equipment for the NCL. To engage existing users and reach new audiences, and to prepare the NCL for Opening Day celebrations, CPL is finalizing a *Promotional Plan* for the NCL to involve key stakeholders, generate awareness, excitement and promotional opportunities. CPL has also implemented a detailed plan on staff and volunteers job-specific training to deliver services/programs for the NCL, including roles and responsibilities, and delivery dates. As trained staff are key to success in delivering services/programs, we recommended the inclusion of information (timelines, percentage of completion) to monitor and report key staff training milestones in project reporting documentation to assess results and take action if needed (Recommendation 2).

3.3 Security

We reviewed the project's risk management documentation to determine whether the project is on track to mitigate the likelihood and impact of security incidents at the NCL that may impact usage targets. We observed that CPL have established processes to manage security incident risks. CPL use an incident reporting system that allows for the identification and assessment of security incidents. A procedure is in place to capture incidents within 24 hours in CPL's security incident reporting system, and management generates information on the types of security incidents. CPL hold weekly discussions on security which include the presence of The City's Security Advisor. CPL risk management documentation also includes measures to familiarize the team with NCL security systems and security-related training. NCL training includes safety and problem situation course sessions to train staff on how to deal with difficult situations. CPL's planning documentation includes steps to award a security contract and create security patrol procedures for the NCL ahead of the handover date. To further enhance their risk management, we recommended that CPL adjust their security incident objective to align with their objective of increasing visitor numbers to the NCL (Recommendation 3).

We would like to thank staff from CPL and CS for their assistance and support throughout this audit.

4.0 Observations and Recommendations

4.1 New Service/Program Objectives

CPL's Risk Matrix measures progress on all the new services/programs identified in their *Plan for Innovation*, but does not currently set an objective for the prioritization of these services ahead of opening day of the NCL. Well-defined objectives improve management's ability to manage risk, and to allocate resources effectively.

The *Plan for Innovation* "is the next stage in operational readiness for CPL to ensure that services/programs delivered within the NCL empower and connect the community." Management have set a prioritization process³ for the services/programs in the *Plan for Innovation* where they are categorized into:

- Priority 1 services/programs (NCL doors open, enhanced customer experience)
- Priority 2 (not NCL doors open requirement); and
- Parked/failed (might pursue in the future or will not).

CPL management projects that at least 50% of the Priority 1 services/programs will be offered when the NCL opens. In their Risk Matrix document, management have documented an objective of 50% or more for all *Plan for Innovation* new services/programs to be piloted or launched prior to opening of the NCL. Adjusting the Risk Matrix measure to focus on the Priority 1 services/programs will provide enhanced information to assist CPL in meeting their NCL objectives.

Recommendation 1

The Director, Service Delivery, to recommend to the CPL Board's Audit and Finance Committee, an update to the Risk Matrix document to reflect the objective of at least 50% of the Priority 1 services/programs to be piloted and launched when the NCL opens.

Management Response

Agreed.

³ NCL Innovation Plan Work Plan October 2017

Action Plan	Responsibility
<p>As work has progressed on the 2016 <i>Plan for Innovation</i> services and programs, monitoring metrics will narrow to focus on Priority 1 services/programs.</p> <p>Recommendations will be brought to the January 2018 CPL Board's Audit and Finance committee meeting and Library Board meeting. The suggested adjustment to the Risk Matrix metric is outlined as follows:</p> <p>Delivery of services/programs in the NCL (# of items within the Priority 1 Plan for Innovation services/programs that are being piloted or launched prior to the opening of NCL).</p> <ul style="list-style-type: none"> • Insignificant: Greater than 55% • Low/Minor: 50-54% • Moderate: 30-49% • High/Major: 20-29% • Catastrophic: Less than 19% <p>CPL administration has prepared strategies to address each level of risk.</p>	<p><u>Lead</u>: Director, Service Delivery</p> <p><u>Support</u>: CPL Board; CPL Board's Audit and Finance Committee; Director, Service Design</p> <p><u>Commitment Date</u>: February 28, 2018</p>

4.2 Project Change Management Plan – Staff Training

Project milestone reporting documentation should incorporate detailed information on the status of key training sessions offered to staff.

CPL management uses a Public Service Training Plan to assess detailed progress monthly, towards completion of professional learning modules by staff. The overall *NCL Move – Project and Change Management Plan* is a multi-departmental working document to ensure that the project is on track for a handover date of October 1, 2018 and an opening date of November 1, 2018. Effective change management that results in a successful transition to NCL, including Staff Readiness (i.e. all staff have successfully completed job-specific training) is a critical objective of the plan.

Each month, management uses the *NCL Move – Project & Change Management Plan* to report on the status of key project milestones to the Operational Readiness Committee and the NCL Steering Committee. The *NCL Move – Project & Change Management Plan* references broad training milestones, but does not include detailed information from the Public Service Training Plan such as key training timelines, milestones, responsibilities, and percentages of completion. Including this information in the *NCL Move – Project and Change Management Plan* would provide enhanced monitoring to identify risks or emergent issues related to staff training that could impact the project's objectives.

Recommendation 2

The Director, Service Delivery to include more detailed information (timelines, associated milestones, responsibilities, and percentages of completion) to monitor and report key staff training milestones in the *NCL Move – Project & Change Management Plan*.

Management Response

Agreed.

Action Plan	Responsibility
<p>The Service Delivery Managers at the Central Library will be responsible to incorporate and regularly update the detailed timelines, milestones, responsibilities, and percentages of completion of three key professional learning opportunities for public service staff in the <i>NCL Move – Project and Change Management Plan</i>. These three key professional learning opportunities include Early Literacy Professional Learning, Guide on the Side, and Communicating Through Materials, all modules that will assist in ensuring that public service staff have the skills and competencies required to deliver service in the new building.</p> <p>The inclusion of these detailed milestones will ensure thorough monitoring and assessment, and reporting through the NCL Operational Readiness Committee and the NCL Steering Committee.</p>	<p><u>Lead</u>: Director, Service Delivery</p> <p><u>Support</u>: Service Delivery Managers, Central Library</p> <p><u>Commitment Date</u>: December 1, 2017</p>

4.3 Security Incident Performance Measures

CPL's current Risk Matrix uses a constant growth model in the percentage of security incidents (e.g. 5% to 65% increase in incidents year over year from 2015-2017) as a performance measure. This model does not take into account the growth in visits that is anticipated with the opening of NCL.

According to the *Plan for Innovation*, the Central Library recorded over 1.1 million visits in 2016, and delivered community programs with over 40,000 participants, a number that is anticipated to more than double at the NCL. As total visits increase, the potential for security incidents will also increase.

Performance measures help an entity operate within established risk tolerance, achieve objectives, and provide the basis for effective monitoring. Risk tolerance is the acceptable level of variation in performance relative to the achievement of objectives. Operating within risk tolerance provides management with greater confidence that the entity will achieve its objectives.

A performance measure that is a ratio of incidents to visits provides a more realistic picture of the impact security incidents are having towards the Library's stated goals of a welcoming and safe experience for visitors. In 2017, the percentage of security incidents compared with visits has fluctuated between 0.02% and 0.04%, that is, one incident for every 2,500 to 5,000 visits. A performance measure that includes both the number of security incidents and the number of visits ensures that context is considered when analyzing and assessing the risk that is present.

Recommendation 3

The Director, Service Delivery recommend, to the CPL Board's Audit and Finance Committee, an update to the Risk Matrix document that demonstrates a specific security incident objective, such as 1 incident for every 5,000 visitors (0.02%), to take into account the expected increase in the number of visitors in the NCL, and articulate associated risk tolerances (acceptable variations for the objective) and planned responses.

Management Response

Agreed.

Action Plan	Responsibility
<p>As visits at Calgary Public Library continue to increase, along with the corresponding increase in interactions with the public, the potential for incidents increases.</p> <p>Recommendations will be brought to the January 2018 CPL Board's Audit and Finance committee meeting and Library Board meeting. The suggested adjustment to the Risk Matrix metric is outlined as follows:</p> <p>Insignificant: 0 – 0.50 (incidents) / 10,000 (visits) Low/Minor: 0.51 – 1.50 (incidents) / 10,000 (visits) Moderate: 1.51 – 4 (incidents) / 10,000 (visits) High/Major: Greater than 4.01 (incidents) / 10,000 (visits)</p> <p>CPL administration has prepared strategies to address each level of risk, including continuing collaboration with City of Calgary Corporate Security.</p>	<p><u>Lead</u>: Director, Service Delivery</p> <p><u>Support</u>: CPL Board, CPL Board's Audit and Finance Committee</p> <p><u>Commitment Date</u>: February 28, 2018</p>