CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

CONTROL ENVIRONMENT

Principle 1: Demonstrates Commitment to Integrity and Ethical Values	Management's Assessment of Internal Control Principle	
The organization demonstrates a commitment to integrity and ethical values.	**Present and Functioning?**	YES

Points of Focus

- Sets the Tone at the Top—The board of directors and management at all levels of the entity demonstrate through their directives, actions, and behaviour the importance of integrity and ethical values to support the functioning of the system of internal control.
- Establishes Standards of Conduct—The expectations of the board of directors and senior management concerning integrity and ethical values are defined in the entity's standards of conduct and understood at all levels of the organization and by outsourced service providers and business partners.
- Evaluates Adherence to Standards of Conduct—Processes are in place to evaluate the performance of individuals and teams against the entity's expected standards of conduct.
- Addresses Deviations in a Timely Manner—Deviations of the entity's expected standards of conduct are identified and remedied in a timely and consistent manner.

Controls Applicable to Principle 1

Identification No.	Internal Control Description	Further Actions Planned
01-001 (also refer to 04-001)	The City has a vision statement, common purpose and behaviours to clearly reflect the essential qualities that we look for, recognize and develop in staff and leaders. The 4 C's are the essential qualities of our organization: Character, Competence, Commitment, Collaboration. These have been endorsed by the Administrative Leadership Team, and discussed with Directors and the corporate management team and have been reinforced with a new Council through the Council orientation process. A toolkit is available to leaders and supervisors to support the dialogue regarding corporate culture and the 4 C's. The Corporate Employee Survey includes questions on the 4Cs, culture, diversity, and inclusion. The City's Administrative Leadership Team (ALT) will review and monitor the actions resulting from findings of the 2017 Corporate Employee Survey.	The City's ALT will review and monitor the actions resulting from findings of the 2017 Corporate Employee Survey. The City Manager will be meeting with Directors to reinforce the importance of the Respectful Workplace Policy.
01-002 (also refer to 04-001)	The City's Code of Conduct (the "Code") contributes to appropriate behaviours and effective controls. The Code was refreshed in 2016. It is values driven and reflects our 4Cs and associated defined behaviours. The refreshed Code provides direction, tools, resources and principles to guide behaviour and decision making. The refreshed code was launched on the calgary.ca website in March 2017 as a full accessible micro-site. There is an accessible document that was created and distributed using a comprehensive enterprise-wide awareness campaign and was delivered in Q1 2017. The City Manager has Executive Sponsorship for the Code, with governance responsibilities delegated to the Chief Financial Officer and Chief Human Resources Officer. Updates on the Code of Conduct are presented annually to the Audit Committee.	Human Resources developed (Q4 2017) and will implement mandatory training starting Q2 2018 and will be finalized by the end of 2018 for employees to become familiarized with the refreshed Code of Conduct and to enhance their understanding of the policies within the Code of Conduct portfolio. Human Resources will continue to present the annual Code of Conduct Report to the Audit Committee.
01-003	City Council has an Ethical Conduct Policy - CP2017-03 (the "Policy") to establish and promote ethical conduct standards for Members of Council in interactions with the public, all City employees, contractors, Council staff, and all Members of Council. The Policy outlines Council members' duties pursuant to the Municipal Government Act (MGA) and other legislation such as the Freedom of Information and Protection of Privacy (FOIP) Act. Council appointed an Integrity Commissioner with a mandate of receiving, investigating, adjudicating and reporting on allegations of misconduct by Members of Council; and an Ethics Advisor with a mandate to provide legal and ethical advice to Members of Council and to assist the Integrity Commissioner in resolving issues when requested by him to do so. During an election year, additional steps are taken by the Office of the Councillors to ensure proper procedures are followed during the campaign period to ensure there is distinction between the Councillor's role as a ward representative on Council and the Councillor's campaigning role. The Ethical Conduct Policy provides further guidance as to rules a Member of Council must follow in the discharge of their office, which includes rules governing member conduct; confidentiality and information management; disclosure; gifts and benefits; conflict of interest; and election activities, to name a few.	

01-004	City Council has a Code of Conduct for Citizen Members Appointed to Council Established Boards, Commissions and Committees. This Code of Conduct provides minimum standards of behaviour expected of all Citizen Members appointed to Council Established Boards, Commissions and Committees.	The City Clerk's Office will perform further review on this Code to include any new requirements arising from the update of the Municipal Government Act.
01-005	The City implemented a Whistle-blower Program in 2007. The City Auditor and the City Manager are responsible for the development, implementation and maintenance of an effective Whistle-blower Program. The Audit Committee receives the status of the Whistle-blower Program on an annual basis.	
01-006	The City has a Sustainable Environmental & Ethical Procurement Policy (SEEPP), which includes a Supplier Code of Conduct. The policy represents a triple bottom line approach that requires Administration to consider the ethical, environmental, and economic aspects of purchasing goods or services. Supply Management continues to participate in the Municipal Collaboration for Sustainable Procurement (MCSP) network on the Steering Committee and through the membership to share best practices in municipal sustainable purchasing programs.	The Council SEEPP Policy is under review. A joint plan is currently being developed with Environmental & Safety Management for Phase 1 - Engagement and Vision. The review is expected to continue into 2018.

Principle 2: Exercises Oversight Responsibility	Management's Assessment of Internal Control Principle	
The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.	**Present and Functioning?**	YES

Points of Focus

- Establishes Oversight Responsibilities—The board of directors identifies and accepts its oversight responsibilities in relation to established requirements and expectations.
- Applies Relevant Expertise—The board of directors defines, maintains, and periodically evaluates the skills and expertise needed among its members to enable them to ask probing questions of senior management and take commensurate actions.
- Operates Independently—The board of directors has sufficient members who are independent from management and objective in evaluations and decision making.
- Provides Oversight for the System of Internal Control—The board of directors retains oversight responsibility for management's design, implementation, and conduct of internal control:
  – Control Environment—Establishing integrity and ethical values, oversight structures, authority and responsibility, expectations of competence, and accountability to the board.
  – Risk Assessment—Overseeing management's assessment of risks to the achievement of objectives, including the potential impact of significant changes, fraud, and management override of internal control.
  – Control Activities—Providing oversight to senior management in the development and performance of control activities.
  – Information and Communication—Analyzing and discussing information relating to the entity's achievement of objectives.
  – Monitoring Activities—Assessing and overseeing the nature and scope of monitoring activities and management's evaluation and remediation of deficiencies.

Controls Applicable to Principle 2

Identification No.	Internal Control Description	Further Actions Planned
02-001	In accordance with the Municipal Government Act, City Council functions as The City's body of directors. As a democratically elected body through the Local Authorities Election Act, it is independent from Administration.	
02-002	There are 75 boards, commissions and committees in place to assist City Council in its governance role. Among these are the four Standing Policy Committees and the Priorities and Finance Committee. The Priorities and Finance Committee provides oversight over financial planning and reporting, corporate policy, governance, and other critical functions.	
02-003	Bylaw 48M2012 assigns the Audit Committee an oversight role over The City's internal control processes. The Audit Committee receives reports from Administration regarding The City's internal control systems, policies and procedures. The Audit Committee is authorized to report and recommend to Council any actions or decisions regarding The City's internal control system that it deems appropriate. The Audit Committee is required to review the Audit Committee Bylaw at least once every three years to ensure the Bylaw reflects best practices in audit governance.	
02-004	Audit Committee Bylaw 48M2012 provides Terms of Reference requiring that the three elector members be financially literate, and that at least one of them be a financial expert.	
02-005	The Audit Committee has implemented periodic reporting on risk management, internal controls, internal audit, and code of conduct. The Audit Committee receives and reviews The City's annual financial statements and external auditor's reports and recommends for Council approval.	
02-006	The Audit Committee conducts an annual self-assessment reflecting industry best practices. An annual evaluation of the performance of The City's internal and external auditors is also conducted.	In 2017, the annual performance evaluation for the external auditors was updated after a review of benchmarks and best practices; the new performance evaluation tool will be used in 2018.

02-007	The City Auditor's Office is fully independent of Administration and reports directly to the Audit Committee. It is responsible for auditing areas of The City's operations as identified in the annual plan approved by Audit Committee. Reports from these audits (including Administration response to recommendations) are presented to Audit Committee and released to the public through the Audit Committee agenda.	
02-008	On a quarterly basis, the Audit Committee receives a report from the City Auditor's Office reflecting the status of audit, advisory, and investigation activities performed over the interim period by the Office. These reports also provide an update on the status of Administration action on audit recommendations contained in previous audit reports.	
02-009	Civic employees and elected officials qualify to belong to one or more multi-employer pension plans and defined-benefit pension plans provided by The City. The Pension Governance Committee reports annually to the Priorities and Finance Committee (PFC) through the City Manager on pension governance activities at The City, including information on unfunded pension liabilities and The City's contingency plans to address them. Unfunded liabilities are addressed by increasing future employee and employer contribution rates, increased investment returns and interest rates, management or amendment of future liabilities, or a combination of these elements. The City includes a provision for the employer contribution rates in its budget plans.	The City will participate in any discussions initiated by the Government, Local Authorities Pension Plan (LAPP) and Special Forces Pension Plan (SFPP) Board or stakeholder groups regarding LAPP and SFPP and will assess any potential financial impacts to The City for these plans as well as potential impacts to The City sponsored pension plans. The 2017 pension governance activities report will be presented to PFC and Council in July 2018. The City continues to monitor unfunded pension liabilities. For The City's sponsored plans, The City has developed a plan and is taking action to fund these obligations.

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 3: Establishes Structure, Authority, and Responsibility	Management's Assessment of Internal Control Principle	
Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	**Present and Functioning?**	YES

Points of Focus

- Considers All Structures of the Entity—Management and the board of directors consider the multiple structures used (including operating units, legal entities, geographic distribution, and outsourced service providers) to support the achievement of objectives.
- Establishes Reporting Lines—Management designs and evaluates lines of reporting for each entity structure to enable execution of authorities and responsibilities and flow of information to manage the activities of the entity.
- Defines, Assigns, and Limits Authorities and Responsibilities—Management and the board of directors delegate authority, define responsibilities, and use appropriate processes and technology to assign responsibility and segregate duties as necessary at the various levels of the organization:
  – Board of Directors — Retains authority over significant decisions and reviews management's assignments and limitations of authorities and responsibilities
  – Senior Management—Establishes directives, guidance, and control to enable management and other personnel to understand and carry out their internal control responsibilities
  – Management—Guides and facilitates the execution of senior management directives within the entity and its subunits
  – Personnel—Understands the entity's standard of conduct, assessed risks to objectives, and the related control activities at their respective levels of the entity, the expected information and communication flow, and monitoring activities relevant to their achievement of the objectives
  – Outsourced Service Providers—Adheres to management's definition of the scope of authority and responsibility for all non-employees engaged

Controls Applicable to Principle 3

Identification No.	Internal Control Description	Further Actions Planned
03-001	The City Manager and Chief Financial Officer (CFO) provide representations in the annual report with regards to how their responsibilities are discharged. As part of this process, they rely on the cascading representations made within each business unit by General Managers, Directors, Finance Managers and Finance Leads. Senior managers across the organization are responsible for managing, monitoring and updating the risks and internal controls in their areas. They acknowledge this responsibility as it pertains to risks and internal controls impacting the BU's Financial Reporting when signing the annual Management Representation Letters.	
03-002	A Management Representation Letter (MRL) overview, example, and tips document is provided to all those individuals required to sign MRLs to ensure they fully understand their responsibilities and accountabilities when providing their representations. This information is posted on the Financial Reporting intranet site. This ensures that all involved parties are making informed representations about the contents of the financial statements and are accountable for their accuracy.	
03-003	The City of Calgary operates under a defined delegated authority structure. The Municipal Government Act (MGA) outlines Councillors' duties, the Mayor's duties, and the duties of the City Manager. It also provides for the delegation of some of these duties. Some duties are delegated by way of bylaw, while others are delegated by Administration.	Administration will renew the organization's priority areas via Three Conversations, One Calgary and the service plans and budgets for 2019-2022 based on Council's directives.
03-004	The City Manager's Office (CMO) will continue with its expanded Administrative Leadership Team (ALT) which includes the Chief Human Resources Officer, the Director of Customer Service & Communications and the Chief Information Technology Officer, and the Chief of Staff (CMO) to ensure additional participation in ALT deliberations about opportunities available to and risks facing the corporation.	The ALT has increased its attention to both governance and strategy with the Corporation and Council. The CMO is implementing a series of changes to the ALT Weekly Meeting format with the intention of allowing more time on meeting agendas for strategic discussions on items of city-wide and corporate impact.
03-005	The City's organizational structure is defined and promotes accountability throughout the Corporation. Within Administration, the responsibility to manage people and budget, known as Dept ID Ownership, is delegated through a standard process.	To better serve our citizens, communities and customers, The City is moving from department-based plans and budgets to service-based plans and budgets to be presented to Council in Q4 2018. Responsibilities of Dept ID owners will not change.
03-006	The Enterprise Suite Program (PeopleSoft), which includes clear identification of DeptID and Process Owners, has further clarified authority and accountability. The Human Capital Management (HCM) System is an application within the PeopleSoft Suite and has been further enhanced in 2017. Automated workflows and approvals are inherent within the design of the PeopleSoft HCM and Financials and Supply Chain Management (FSCM) systems.	

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 4: Demonstrates Commitment to Competence	Management's Assessment of Internal Control Principle	
The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.	**Present and Functioning?**	YES

Points of Focus
- Establishes Policies and Practices—Policies and practices reflect expectations of competence necessary to support the achievement of objectives.
- Evaluates Competence and Addresses Shortcomings—The board of directors and management evaluate competence across the organization and in outsourced service providers in relation to established policies and practices, and act as necessary to address shortcomings.
- Attracts, Develops, and Retains Individuals—The organization provides the mentoring and training needed to attract, develop, and retain sufficient and competent personnel and outsourced service providers to support the achievement of objectives.
- Plans and Prepares for Succession—Senior management and the board of directors develop contingency plans for assignments of responsibility important for internal control.

Controls Applicable to Principle 4

Identification No.	Internal Control Description	Further Actions Planned
04-001 (also refer to 01-001 and 01-002)	Refer to 01-001 and 01-002 in regards to the 4 Cs; the essential behaviours of our organization. Council has also approved the Leadership Strategic Plan (LSP), which complements and forms part of the Action Plan and guides some specific change initiatives for how the organization will work effectively. All General Managers and Directors have signed the LSP and have committed to incorporate it into their work.	Administration will continue to provide an update to Council on the Leadership Strategic Plan (LSP) twice per year, as part of the Accountability reports.
04-002	The City's Employment Policy, HR-031, sets forth The City's recruitment standards. It provides rules and processes to ensure that The City's recruitment, selection, appointment and promotion processes are of a high quality, focusing on the three principles of merit, objectivity and consistency to secure highly qualified staff.	Human Resources continues to explore innovative, cost-efficient and effective ways to recruit and source candidates and enhance recruitment processes by increasing the use of social media. Metrics, customer input, and other marketing tools are used to analyze how best to reach job seekers and share The City's brand.
04-003	The City's Compensation Policy, HR-TR-004 ("Compensation"), sets forth The City's compensation policies, including policies for evaluating positions to determine the necessary classification and compensating them accordingly. For management-exempt positions, the Compensation policy is supplemented by the Exempt Staff Policy.	
04-004	The City has instituted a Corporate Workforce Strategy to mitigate risks related to the attraction and retention of staff. The Corporate Workforce Strategy includes plans and projects for Recruiting and Outreach, Diversity and Inclusion, Workforce Planning (including succession management) and Leadership Development, Performance Management, Career Development and Mentorship.	The City will continue to promote from within as well as attract new staff to ensure that resource needs continue to be met. As well, The City will maintain its commitment to relevant professional development and certification of staff. The Corporate Workforce Strategy lays out action plans to address short, medium and long-term staff attraction and retention challenges that will continue to be implemented through the 2015-2018 Action Plan. The City will continue to lead inclusion initiatives to engage a diverse workforce that positions the organization as an employer of choice. To address Leadership Development, The City will be applying additional performance coaching techniques to improve supervisory-employee interactions and performance management, and continue to provide development opportunities for employees, supervisors and senior leaders.
04-005 (also refer to 14-004)	Corporate Learning & Development programs educate leaders and employees about their responsibilities and how these are to be discharged in various areas. Currently there are four programs: Manager Leadership Development Program, Supervisory Leadership Development Program, City Specific Development Series and Individual Contributor Development Series. These programs deliver learning opportunities for all groups of employees to develop the skills required for municipal excellence. All new Dept ID Owners receive information on the HCM and FSCM system and how to access training.	An emerging leader program was piloted in 2017 and is scheduled to be rolled out in 2018 along with a leader on-boarding program.
04-006	The City has a number of mentoring opportunities through the Supervisory Leadership Development, Student Mentoring, Emerging Leader, and the Individual Contributor Development Programs and has developed an online toolkit for business unit support.	

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 5: Enforces Accountability	Management's Assessment of Internal Control Principle	
The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.	**Present and Functioning?**	YES

Points of Focus

- Enforces Accountability through Structures, Authorities, and Responsibilities—Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.
- Establishes Performance Measures, Incentives, and Rewards—Management and the board of directors establish performance measures, incentives, and other rewards appropriate for responsibilities at all levels of the entity, reflecting appropriate dimensions of performance and expected standards of conduct, and considering the achievement of both short-term and longer-term objectives.
- Evaluates Performance Measures, Incentives, and Rewards for Ongoing Relevance—Management and the board of directors align incentives and rewards with the fulfillment of internal control responsibilities in the achievement of objectives.
- Considers Excessive Pressures—Management and the board of directors evaluate and adjust pressures associated with the achievement of objectives as they assign responsibilities, develop performance measures, and evaluate performance.
- Evaluates Performance and Rewards or Disciplines Individuals—Management and the board of directors evaluate performance of internal control responsibilities, including adherence to standards of conduct and expected levels of competence and provide rewards or exercise disciplinary action as appropriate.

Controls Applicable to Principle 5

Identification No.	Internal Control Description	Further Actions Planned
05-001	The multi-year business plan and budget process identifies the accountabilities for achieving The City's strategies and plans. In December 2014, Council approved the 2015-2018 Business Plans and Budgets in accordance with the multi-year approach. This approach requires departments to develop plans and budgets that reflect current internal and external trends affecting The City while linking to long-term strategies and plans. 2018 Adjustments to business plans and budgets were presented and approved by Council in November 2017.	The City is beginning its next budgeting cycle, titled One Calgary which will take effect for 2019-2023.
05-002	The City's business plans and budget accountability reports establish and provide updates on approved performance measures and targets for City services. These performance measures are linked to Council's priorities set forth in the Action Plan. Status reports are presented to Council via Priorities and Finance Committee twice per year.	
05-003	For management exempt staff, performance is planned for, encouraged, developed, measured and rewarded through the Exempt Performance Development Process (EPDP). The EPDP requires setting objectives aligned with, and cascading down from, Council priorities and business plans and determines key performance measures around these objectives. Individual performance in support of these objectives are reviewed and evaluated at year end to make a Pay for Performance decision. Performance development tools and resources were revised in 2017 and are available to business leaders.	
05-004	The City's unionized staff are covered by ten collective agreements. While overall pay and benefit rates are determined through collective bargaining, it remains The City's right to exercise the regular and customary functions of management and to direct The City's workforce. This includes the ability to conduct performance reviews on an annual basis, and implement progressive discipline as part of any performance management activities that may be required. The City ensures compliance with the collective agreements and other legislative requirements and addresses challenges to collective agreements and discipline through the grievance and arbitration process.	Human Resources is dedicated to reviewing and ensuring compliance with collective agreements, other legislative requirements, and the performance management process and aligning it to the Integrated Performance System. Human Resources will continue to work with management and the unions to support and enforce the performance management process and address challenges to collective agreements, and discipline through the grievance and arbitration process.

RISK ASSESSMENT

Principle 6: Specifies Suitable Objectives	Management's Assessment of Internal Control Principle	
The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.	**Present and Functioning?**	YES

Points of Focus

Operations Objectives

- Reflects Management's Choices—Operations objectives reflect management's choices about structure, industry considerations, and performance of the entity.
- Considers Tolerances for Risk—Management considers the acceptable levels of variation relative to the achievement of operations objectives.
- Includes Operations and Financial Performance Goals—The organization reflects the desired level of operations and financial performance for the entity within operations objectives.
- Forms a Basis for Committing of Resources—Management uses operations objectives as a basis for allocating resources needed to attain desired operations and financial performance.

External Financial Reporting Objectives

- Complies with Applicable Accounting Standards—Financial reporting objectives are consistent with accounting principles suitable and available for that entity. The accounting principles selected are appropriate in the circumstances.
- Considers Materiality—Management considers materiality in financial statement presentation.
- Reflects Entity Activities—External reporting reflects the underlying transactions and events to show qualitative characteristics and assertions.

External Non-Financial Reporting Objectives

- Complies with Externally Established Standards and Frameworks—Management establishes objectives consistent with laws and regulations, or standards and frameworks of recognized external organizations.
- Considers the Required Level of Precision—Management reflects the required level of precision and accuracy suitable for user needs and as based on criteria established by third parties in non-financial reporting.
- Reflects Entity Activities—External reporting reflects the underlying transactions and events within a range of acceptable limits.

Internal Reporting Objectives

- Reflects Management's Choices—Internal reporting provides management with accurate and complete information regarding management's choices and information needed in managing the entity.
- Considers the Required Level of Precision—Management reflects the required level of precision and accuracy suitable for user needs in non-financial reporting objectives and materiality within financial reporting objectives.
- Reflects Entity Activities—Internal reporting reflects the underlying transactions and events within a range of acceptable limits.

Compliance Objectives

- Reflects External Laws and Regulations—Laws and regulations establish minimum standards of conduct which the entity integrates into compliance objectives.
- Considers Tolerances for Risk—Management considers the acceptable levels of variation relative to the achievement of compliance objectives.

Controls Applicable to Principle 6

Identification No.	Internal Control Description	Further Actions Planned
06-001	The City has a structured objective setting process that flows from Council priorities to departmental business plans and budgets. Council priorities guide the development and implementation of departmental business plans, and were reflected in the 2015-2018 Action Plan (business plans and budgets). Business plans and budgets include categories of objectives mentioned in this principle. Council has also approved the Leadership Strategic Plan (LSP), which complements and forms part of the Action Plan and guides some specific change initiatives for how the organization will work effectively. All General Managers and Directors have signed the LSP and have committed to incorporate it into their work.	Administration will continue to provide an update on Accountability reports to Council (via PFC) twice per year. Administration will also continue to provide an update to Council on the Leadership Strategic Plan (LSP) twice per year, as part of the Accountability reports.
06-002	Civic Innovation YYC works to realize elements of The City's eGovernment and Digital Strategy, and to operationalize the Cut Red Tape Program (finding efficiencies in Government) and Innovation (supporting an adaptive culture to design the future of City Services). Civic Innovation YYC is an online crowdsourcing platform tool that brings together people and technology to design the next generation of City services.	

06-003	Council has approved a program of service reviews (Zero-Based Reviews (ZBRs)) to: increase the value Calgarians get from their tax dollars by improving the efficiency, effectiveness and sustainability of services; and build the organization's capacity for continuous service improvement. As of March 2018, eight ZBRs have been completed. More than 75% of The City's gross operating expenditures will have been reviewed by the end of the 2015-2018 business cycle.	Reviews are currently underway in Recreation and Information Technology. Additional reviews of The City's internal services have started with the approval of the Shared Challenges of the Internal Services ZBR that will commence in 2018.
06-004	The City has a 10-year Long-Range Financial Plan, including projections of operating and capital revenues and expenditures, and financial goals and strategies that will move the organization towards financial sustainability in the long-term.	The Long-Range Financial Plan will be maintained and revised periodically as needed. Projections within the plan are currently being updated to provide input into the development of the OneCalgary 2019-22 service plans and budgets.
06-005	Infrastructure Calgary provides governance and oversight over The City's Capital Infrastructure Investment Strategy and Capital Investment Plan. The focus of the program is coordination and alignment of The City's capital investment to help strengthen decision making and optimize investment. Infrastructure Calgary reports on the value of The City's capital investment, addresses risk and helps ensure there are sufficient resources to deliver projects on time, on budget and within scope.	DCMO updated Capital Infrastructure Investment Strategy and Capital Investment Plan pending ALT and Council approval by end of Q1 2018. The Corporate Governance Review is planned to be completed by the end of Q3 2018. The development of corporate prioritization criteria, a recommended priority list and approach to allocate capital funding, by end of Q4 2018.
06-006	The City of Calgary ("The City") is a municipality in the Province of Alberta incorporated in 1884 as a town and in 1894 as a city and operates under provisions of the Municipal Government Act. Each municipality must prepare a financial information return respecting the financial affairs of the municipality for the immediately preceding calendar year. The consolidated financial statements of The City are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS").	The 2017 Annual Report will be presented to Audit Committee in April 2018.

Principle 7: Identifies and Analyzes Risk	Management's Assessment of Internal Control Principle	
The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.	**Present and Functioning?**	YES

Points of Focus
- Includes Entity, Subsidiary, Division, Operating Unit, and Functional Levels—The organization identifies and assesses risks at the entity, subsidiary, division, operating unit, and functional levels relevant to the achievement of objectives.
- Analyzes Internal and External Factors—Risk identification considers both internal and external factors and their impact on the achievement of objectives.
- Involves Appropriate Levels of Management—The organization puts into place effective risk assessment mechanisms that involve appropriate levels of management.
- Estimates Significance of Risks Identified—Identified risks are analyzed through a process that includes estimating the potential significance of the risk.
- Determines How to Respond to Risks—Risk assessment includes considering how the risk should be managed and whether to accept, avoid, reduce, or share the risk.

Controls Applicable to Principle 7

Identification No.	Internal Control Description	Further Actions Planned
07-001	The City Manager is responsible for overseeing activities within Administration related to Council's Integrated Risk Management (IRM) policy. This ensures that there is a systematic approach to risk identification and mitigation across the organization. The City Solicitor and General Counsel is a member of the Administrative Leadership Team (ALT) and brings to ALT members' attention significant risks at their weekly meetings. In addition, the City Solicitor and General Counsel serves as a member of Executive Steering Committees for several major projects (e.g. Green Line, Olympic Bid exploration, new recreation facilities) and draws risk and risk mitigation strategies to senior leaders' attention at those meetings. Environmental & Safety Management provides safety and environmental oversight and manages and mitigates safety and environmental risk through policies, practices, guidance, governance, systems and expertise.	The City Manager, with the support of Corporate Initiatives, will continue to present the Annual Principal Corporate Risk Report to the Audit Committee.
07-002	The IRM framework, guidelines, process, tools and resources are available to employees on the IRM website. In addition, specific guidelines for report writers of Council and Committee reports are available to support the required risk disclosure within reports along with the recommended risk treatment. An Integrated Risk Management (IRM) City Specific Program Learning for Municipal Excellence (LFME) course is available to all employees to take to enhance their knowledge and understanding of The City's approach to effective risk management. IRM offers "Delivered to your Doorstep" seminars to help business units with the identification of risk as well as one-on-one meetings with business units who require additional assistance.	

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

07-003	Risk management was embedded into the 2015-2018 Action Plan with risks to the business plans identified. The Administrative Leadership Team (ALT) requires that an updated risk register be maintained by each department which is reviewed twice per year. Each department has developed a risk profile identifying their objectives and the risks to achieving those objectives. Updated Departmental Risk Registers were submitted for review and consolidation by the IRM Team. Selected risk information was reviewed by ALT and formed the primary information basis for populating the Principal Corporate Risk Register and the City Manager's Annual Principal Corporate Risk Report to Council. ALT holds twice-yearly discussions on risk. Similarly, department management teams hold twice-yearly discussions on risk, at a minimum.	Work is underway to ensure that all corporate risk registers include the use of indicators by July 2018. The inclusion of indicators promotes evidence based decision making and supports the presentation of risks using a Results Based Accountability format.
07-004	The Corporate Issues Management Program is housed in Law. The Manager of that Program works with senior leaders to identify issues, risks and risk prevention and mitigation strategies that are drawn to the attention of ALT weekly by the City Solicitor and General Counsel.	Information about the Corporate Issues Management Program will be included in Law's annual report to Audit Committee in Q2 2018.
07-005	The IRM model and framework have been designed using current CSA/ISO Standards and continue to reflect best practice. As part of the policy, all presentations to Council or Committees must include disclosure of significant risks, with alternatives and the recommended course of action presented, if applicable. Information Technology (IT) presents an annual Information Technology Risk Management Report to the Audit Committee. Risk management and controls for the use of information technology are the responsibility of all levels in the organization. Jointly, IT, Corporate Security and departments manage security information risks through setting and monitoring corporate policies and procedures. The City Solicitor and General Counsel provides an annual legal services, risk management and claims and corporate security report to the Audit Committee and Council. Environmental & Safety Management provides an Annual Corporate Environmental, Health & Safety (EHS) Report to the Utilities & Corporate Services Committee and Council.	Information Technology presented the annual Information Technology Risk Management Report to the Audit Committee in February 2018 (AC2018-0133). The Annual Legal Services, Risk Management and Claims and Corporate Security Report is scheduled for the April 2018 Audit Committee meeting.
07-006	In February 2017, Environmental & Safety Management outlined a formal, five step-approach climate change program. The program includes providing information and risks to Council and the ALT to enable informed decision-making, leadership, and governance; the development of capacity to ensure analyses, evaluations and recommendations at The City to consider the risks and opportunities of climate change; alignment of climate actions within The City and the broader community through a climate resilience plan; integration with City budgets and plans, intergovernmental projects and organizations; and public outreach and education. ESM continues to use this approach to develop strategies and actions for climate resilience and to ensure that The City mitigates and adapts to the risk of climate change.	Environmental & Safety Management is committed to bringing a Climate Resilience Strategy and Actions to Council in June 2018.
7-007	The Asset Management Policy (GN-001) requires the corporation to report infrastructure condition/service risk and recommend asset investment to Council to achieve acceptable levels of risk. This Asset Management policy is also a link to the corporation's Tangible Capital Asset financial policy. The Infrastructure Status Report is prepared on a 4 year cycle in alignment with business plans and budgets processes.	The 2017 Infrastructure Status Report will be presented to Council in Q1 2018.

Principle 8: Assesses Fraud Risk	Management's Assessment of Internal Control Principle	
The organization considers the potential for fraud in assessing risks to the achievement of objectives.	**Present and Functioning?**	YES

Points of Focus

- Considers Various Types of Fraud—The assessment of fraud considers fraudulent reporting, possible loss of assets, and corruption resulting from the various ways that fraud and misconduct can occur.
- Assesses Incentive and Pressures—The assessment of fraud risk considers incentives and pressures.
- Assesses Opportunities—The assessment of fraud risk considers opportunities for unauthorized acquisition, use, or disposal of assets, altering of the entity's reporting records, or committing other inappropriate acts.
- Assesses Attitudes and Rationalizations—The assessment of fraud risk considers how management and other personnel might engage in or justify inappropriate actions.

Controls Applicable to Principle 8

Identification No.	Internal control description	Further Actions Planned
08-001	All employees are responsible for managing risks within their respective areas and the Integrated Risk Management (IRM) Framework contains several risk categories. Under IRM, fraud risk is included as part of the financial risks to funds and budgets and, as such, is included in IRM evaluations.	
08-002	The City Auditor's Office performs audits, as identified in the annual plan approved by Audit Committee, in conformance with IIA International Professional Practices Framework. One of the standards includes (2120.A2), "the internal audit activity must evaluate the potential for the occurrence of fraud and how the organization manages fraud risk". A quality assessment review to independently validate that conformance is maintained, as prescribed by the IIA, is conducted at least every five years. The last quality assessed was completed in 2017, with confirmation of conformance.	
08-002	The City Auditor's Office issues an annual report that includes activity related to the Whistle-blower Program and corrective active recommendations, specific to concerns brought forward to the Whistle-blower Program.	
08-004	As part of the year-end audit process, the external auditor makes inquiries of management regarding fraud risk utilizing formalized documentation and set inquiries. According to the latest assessment, the risk of material misstatement due to fraud is considered low.	
08-005	Supply Management takes a proactive and collaborative approach to working with business units to determine a compliant approach for their procurement needs. Supply Management exercises an escalation process when potential concerns are raised. A procurement red flag process is in place to recognize and escalate procurement activities of concern. On the inventory management function, Supply Management has implemented a systematic process for cycle counting all corporate inventory items at least once a year.	A review of the existing Red Flag process was conducted and determined that a new cross-corporate approach was required. The existing Red Flag process will remain in place until the new program is rolled out in 2018. Supply Management is currently updating requirements for Security Clearance in the procurement templates.
08-006	The City has a Corporate Credit Card control process that combines clear accountabilities and authorization protocols, system-side restrictions and a risk-based audit process to ensure that the risk of fraudulent use of the Corporate Credit Card is minimized.	Accounts Payable is investigating, as part of the implementation of its new Corporate Credit Card tracking solution, a workflow approval process for credit cards. Should a workflow approval process be implemented, it is anticipated that it will be in place before the end of 2018. The corporate credit card process was audited in 2017, Accounts Payable will be addressing recommendations by Q3 2018.

08-007	Corporate Security has both internal Physical Security Sections and a Security Operation Sections dedicated to running physical security programs and enterprise security systems for The City. Corporate Security has implemented mandatory physical security standards which are integrated into all physical infrastructure projects. Threat Risk Assessments and security audits are conducted regularly on critical infrastructure. Corporate Security has implemented enterprise security systems including access control, security cameras and control of keys. These systems are monitored 24/7 from a dedicated Integrated Security Control Centre.	Please refer to Attachment 3.
08-008	Corporate Security has identified categories of fraud and, to the extent it is resourced to do so, performs some proactive fraud queries. Data is normalized and analyzed for instances and indicators of fraud, theft and malfeasance before being referred for investigation.	Please refer to Attachment 3.
08-009	Corporate Security has an internal Investigations Section, which operates autonomously and independently of other business units, dedicated to investigating allegations of fraud, theft and malfeasance. Reports are sent to Directors of business units for action. Reports of incidents including allegations of fraud are made directly to Corporate Security or referred by The City's Whistleblower Line. Where investigations reveal gaps in internal controls and business processes, these are identified in the reports as recommendations. Corporate Security uses an incident management system to track the number of incidents, losses and recoveries. Corporate Security conducts trend analysis on incidents and investigations to direct future security operations to prevent fraud, theft and malfeasance.	Corporate Security is implementing an enterprise governance, risk and compliance tool to identify assets, align them with service lines and business units, track incidents relating to those assets, and track and follow up on report recommendations to improve internal controls. The system is expected to be implemented by Q4 2018. Corporate Security, in conjunction with HR is exploring the use of software to track Code of Conduct Policy Breaches & HR related issues/complaints. This is in relation to the KPMG report (AC2015-0560) and will provide key findings by Q2 2018. Please also refer to Attachment 3.
08-010	Corporate Security conducts police criminal checks on potential employees in the pre-hiring stage for positions identified by the business units and Human Resources. Comprehensive vendor due diligence investigations are carried out by Corporate Security when directed by Supply or other business units. Corporate Security conducts police criminal checks (or receives confirmation from third party vendors) on individual contractors.	Corporate Security is exploring a formalized Employee / Contractor Security Clearance and Due Diligence Program by Q4 2018 for employees and contractors and by Q4 2018 for vendors. Any decision on these programs will be made only after consulting key stakeholders, such as ALT, Human Resources, and Supply Management. Please also refer to Attachment 3.

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 9: Identifies and Analyzes Significant Change	Management's Assessment of Internal Control Principle	
The organization identifies and assesses changes that could significantly impact the system of internal control.	Present and Functioning?	YES

Points of Focus
- Assesses Changes in the External Environment—The risk identification process considers changes to the regulatory, economic, and physical environment in which the entity operates.
- Assesses Changes in the Business Model—The organization considers the potential impacts of new business lines, dramatically altered compositions of existing business lines, acquired or divested business operations on the system of internal control, rapid growth, changing reliance on foreign geographies, and new technologies.
- Assesses Changes in Leadership—The organization considers changes in management and respective attitudes and philosophies on the system of internal control.

Controls Applicable to Principle 9

Identification No.	Internal Control Description	Further Actions Planned
09-001	As part of the four-year business plan and budget cycle, The City has an annual adjustments process intended to respond to shifts in the internal and external environment requiring changes to multi-year business plans, budgets, and performance measures.	The next adjustment will not take place until 2019, for the 2020 year budget.
09-002	Corporate Financial Reporting stays abreast of future accounting standard changes by reviewing and researching external resources to identify potential changes to accounting standards. Financial Reporting determines any process and accounting changes required to ensure The City will be compliant.	The City's financial statements will incorporate the following new (or amended) accounting standards; 2018: related party disclosures, assets, contingent assets, contractual rights, and inter-entity transactions; 2019: restructuring transactions; and 2020: financial statement presentation, foreign currency translation, portfolio investments, and financial instruments.
09-003	As a part of the Chief Financial Officer's Department, Corporate Economics assist The City of Calgary in the decision making process by providing services in the area of economic forecasting, research, analysis and information on economic indicators. Through economic trends and forecasting, Corporate Economics identifies potential barriers or problems that could become challenges, for Calgarians or the Corporation, and then forewarns Council and Administration.	
09-004	The Corporate Tax & Regulatory Affairs (CTRA) division represents the interests of The City before regulatory agencies such as the Alberta Utilities Commission and Canadian Radio-television and Telecommunications Commission (CRTC). The Gas, Power & Telecommunications (GPT) Committee provides oversight of the activities of the CTRA. Law provides legal advice to the CTRA and GPT on an as-requested basis, including about regulatory issues involving or before the CRTC. CTRA also consults with external counsel on regulatory issues at the Alberta Utilities Commission. CTRA works with other stakeholders in development of Provincial Regulatory Policies.	The City is undergoing a Canada Revenue Agency audit related to GST and will assess any recommendations that are made.
09-005	Law is responsible for providing legal, claims and risk management and issues management services to the Mayor and Council, City Manager and General Managers and business units throughout the corporation. Law seeks early involvement in client initiatives in order to be able to assist in the on time, on budget achievement of clients' objectives while ensuring that risk for the corporation is identified and appropriately managed.	All Sections and Divisions within Law recently conducted business process reviews in anticipation of Law's zero based review. A client satisfaction survey will be conducted this spring to enhance Law's understanding of its clients' present and future needs. Increasingly, lawyers are being co-located with clients or project teams (e.g. at the Calgary Parking Authority; on the Green Line team) or are at clients' offices periodically (e.g. with Supply, Calgary Housing and Intergovernmental and Corporate Strategy) to ensure a better understanding of clients' business, objectives and service needs.
09-006	As part of the risk assessment process from The City's Integrated Risk Management (IRM) framework, management is asked to review changes to the external and internal environment regularly (twice a year).	
09-007	Intergovernmental & Corporate Strategy's (ICS) is a legislative tracking function that identifies significant changes in relation to The Municipal Government Act, City Charter and Growth Management Board and performs consultations with other levels of government for legislative and policy changes.	The Municipal Government Act was updated as of January 1, 2018. The three policy changes involve assessment taxation (How are Municipalities Funded?), Governance and Administration (How are Municipalities Empowered to Govern?), and Planning and Development (How do Municipalities work together and plan for growth?).

CONTROL ACTIVITIES

Principle 10: Selects and Develops Control Activities	Management's Assessment of Internal Control Principle	
The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	**Present and Functioning?**	YES

Points of Focus

- Integrates with Risk Assessment—Control activities help ensure that risk responses that address and mitigate risks are carried out.
- Considers Entity-Specific Factors—Management considers how the environment, complexity, nature, and scope of its operations, as well as the specific characteristics of its organization, affect the selection and development of control activities.
- Determines Relevant Business Processes—Management determines which relevant business processes require control activities.
- Evaluates a Mix of Control Activity Types—Control activities include a range and variety of controls and may include a balance of approaches to mitigate risks, considering both manual and automated controls, and preventive and detective controls.
- Considers at What Level Activities Are Applied—Management considers control activities at various levels in the entity.
- Addresses Segregation of Duties—Management segregates incompatible duties, and where such segregation is not practical management selects and develops alternative control activities.

Controls Applicable to Principle 10

Identification No.	Internal Control Description	Further Actions Planned
10-001	Finance oversees the control activities that maintain the reliability and integrity of the financial reporting process. As part of the process to create financial statements, both internally for the twice-yearly periodics process and with more detail as part of the internal and external year-end process, Corporate Financial Reporting provides each business unit with a checklist of minimum procedural standards, including continuity schedules and special analysis for large balances, sensitive items and variances. These checklists and their supporting documentation are reviewed within the business unit and within Corporate Financial Reporting. Financial Reporting has a risk register that documents their risk assessment by financial statements account balances and processes. This risk register provides an overview of the controls including controls in the year-end checklist.	
10-002	As part of The City's Integrated Risk Management (IRM) framework, management is directed to identify risks, analyze and evaluate the risks, and put into place control activities needed to carry out risk responses, activities, and reporting.	
10-003	The PeopleSoft Finance and Supply Chain Management Module (FSCM) includes controls, such as: Journal Approvals, Procurement Work Flow Approvals, eBill Payment Module, General Ledger Allocations functionality, Accounts Payable workflow, Project Costing Module, and Accounts Payable Voucher Spreadsheet Upload functionality.	Supply Management has reviewed and will implement a revised delegation of authority (DOA); utilizing a risk based approach, integrated into an automated workflow in PeopleSoft for financial approval. In addition, Supply has implemented a system generated internal award recommendation approval to control the alignment between procurement data and the information on the approval sign-off form using an in-house built tool called File Tracker. Creator/Reviewer/Approver Checklists are in development for 2018.
10-004	The City's third-party custodian and Treasury Management system supports investment and cash management controls and enhanced analytical and reporting capabilities. Administrators in these systems are able to segregate duties to users and to set limits and authorization levels. In addition, Treasury uses dual authorizations and security tokens. The Investment Advisory Committee provides investment and risk management oversight to ensure compliance with the Investment Policy (CFO07) and legislation.	A new treasury management system will be implemented by Treasury in 2018. An RFI for the new management system was issued on January 8, 2018. The 2017 Annual Investment Report will be presented to the Audit Committee in April 2018.
10-005	The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies. Reserve balances are accurately recorded in accordance with Canadian Public Sector Accounting Standards on The City's financial statements. Reserves are reviewed on a triennial basis. The main purpose of the review is to ensure that: • Reserve activity meets all authorizing document requirements; • Reserve activity is in accordance with reserve policies and procedures; • The reserve's purpose, conditions and/or restrictions are still relevant; and • The reserve is still required in its current form. The 2017 Triennial Reserves Review Report was presented to the Priorities and Finance Committee (PFC) in December 2017.	The City will continue to review every open reserve at least once every three years. The 2018 Triennial Reserves Review Report will be presented to PFC in December 2018.

10-006	The City's tangible capital assets (TCA) are reported in accordance with section 3150 of the Public Sector Accounting Standards. Finance is responsible for signing-off on the recording of TCA. Where appropriate, additional controls have been put in place, including manual controls. The TCA Costing module was implemented in April 2017. In 2017, TCA program established a centralized TCA Reporting Team to sustain current and past TCA initiatives, as well as aid business units to prepare information for TCA reporting purposes.	Administration is committed to continuous improvement of TCA. Starting from 2014, the TCA project team developed and implemented several policy and process improvements impacting the reporting of machinery & equipment (2015), buildings (2016), engineered structures (2016) and Land and Land improvements (2017). Further progress to solidify simplified, compliant, and consistent policies and processes will occur in 2018, such as: • Update to TCA reporting policies for vehicles; • Refinement of internal processes to allow for proactive identification of TCA;
10-007	As a merchant that accepts credit card payments from the public for the purchase of specified goods and services, The City adheres to the worldwide Payment (credit) Card Industry Data Security Standards (PCI-DSS). These standards are intended to ensure The City is applying industry best practices to ensure that our customers' credit card information obtained during routine transactions remains secure at all times. All City staff who handle credit cards from the public receive training and have acknowledged that they have read and understood the PCI policy. Annual reviews are done with business units to ensure proper procedures are followed.	Secure Credit Card handling eLearning will continue to be made available to all employees. PCI compliance internal audits will be undertaken with business units that handle credit card processing and information. An audit is undertaken each year by a third party external PCI auditor retained by The City. The City passed its 2017 audit and received compliance certification in November 2017. Continued updating of hardware, software and business and technical documentation will maintain compliance.
10-008	The Corporate Credit Card is an efficient and effective method of making low dollar purchases. All cardholders take mandatory training to ensure that they understand their responsibilities as well as the applicable policies and procedures.	The Corporate Credit Card Policy, supporting procedures, processes and training will continue to be updated as required. A successful service provider for The City's Corporate Credit Card Program was selected in 2017. The implementation of new electronic tools, expected in 2018, will create further opportunities for additional communication and training as the program is rolled out to users.
10-009	The Corporate Tax and Regulatory Affairs (CTRA) division of Finance is responsible for overall compliance and interpretation in the area of taxation. The Corporate Tax group within this division provides internal consulting for interpretations, rulings, audits and appeals. Finance is responsible for remitting benefits payroll source deductions for all City employees as well as some related authorities and for the internal controls within this function.	
10-010	The Council Policy (CFO-011) provides a framework for a consistent approach for the: identification of potential Public-Private Partnership (P3) opportunities, evaluation of P3 opportunities; decision-making and procurement processes related to P3s. The procurement and management of P3s at The City is governed by seven guiding principles and the Public-Private Partnerships (P3) Council Policy (CFO-011). The Administration Policy (FA-052) guides the internal roles and processes for evaluating and procuring P3 projects in a manner consistent with the Council Policy.	The P3 Council Policy (CFO-011) and the Administration Policy (FA-052) are currently under review and will be updated in 2018.
10-011	The Corporate Accounts Payable section is responsible for making payments on behalf of The City of Calgary. The Accounts Payable Transactions and Payments Policy (FA-010) defines the business rules for authorizing accounts payable transactions and invoices, making payments, and retaining accounts payable source documents.	The Accounts Payable Transactions and Payments Policy (FA-010) is currently under review and will be updated in 2018.

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 11: Selects and Develops General Controls over Technology	Management's Assessment of Internal Control Principle	
The organization selects and develops general control activities over technology to support the achievement of objectives.	**Present and Functioning?**	YES

Points of Focus

- Determines Dependency between the Use of Technology in Business Processes and Technology General Controls—Management understands and determines the dependency and linkage between business processes, automated control activities, and technology general controls.

- Establishes Relevant Technology Infrastructure Control Activities—Management selects and develops control activities over the technology infrastructure, which are designed and implemented to help ensure the completeness, accuracy, and availability of technology processing.
- Establishes Relevant Security Management Process Control Activities—Management selects and develops control activities that are designed and implemented to restrict technology access rights to authorized users commensurate with their job responsibilities and to protect the entity's assets from external threats.
- Establishes Relevant Technology Acquisition, Development, and Maintenance Process Control Activities—Management selects and develops control activities over the acquisition, development, and maintenance of technology and its infrastructure to achieve management's objectives.

Controls Applicable to Principle 11		
Identification No.	Internal Control Description	Further Actions Planned
11-001	The City has a formal information technology governance model in place. The Chief Information Technology Officer works with the Administrative Leadership Team (ALT) and the Corporate Technology Committee (CTC) to set and implement corporate information technology strategies and standards, and provide annual ALT reporting on technology governance. The CTC is responsible for approving the City Corporate Technology Plan and Enterprise Platform, in line with corporate business technology strategies. The CTC also advises on corporate issues related to business technology direction. The Corporate Technology Plan and Enterprise Platform architecture have been established to guide in technology planning. The IT Account Manager (ITAM) role is responsible for interfacing between IT and the business to understand business needs. IT has documented key business cycles at The City. Information Technology Service Management (ITSM), utilizing the Information Technology Infrastructure Library (ITIL) framework, has been used to identify, document, and implement technology service management with assigned process managers and process owners. IT relies on several documented methodologies for project management and system development. IT has a formalized change management process, with a daily review of planned changes by the Change Advisory Board and weekly review of planned changes by the IT Management Team. Critical environments have been configured with logging functionality and logs are reviewed regularly.	Continue to work with City departments to establish departmental portfolios of technology investment and prioritize business technology initiatives based on One Calgary and strategic direction. As part of the recommendations of the HCM Application Security Audit (2013), secure socket layer (SSL) encryption on internal transmission will be implemented. Analysis work has been completed and the business case has been approved. Project is expected to be completed in Q3 2018.
11-002	IT has documented its business continuity plans, which include a discussion of dependencies between business processes and technology resources as well as a list of infrastructure components and applications required to support essential services, developed with Calgary Emergency Management Agency (CEMA) and City business units. IT has documented policies, procedures and practices for data and file back-up and recovery, crisis management, and service resiliency. Dashboards have been created to monitor system availability for most infrastructure systems. IT plans, designs, implements, and maintains resiliency in key parts of The City's technology infrastructure to avoid single points of failure.	As part of Action Plan, IT is maturing its practices, processes, infrastructure, and policies to ensure long-term growth, availability management, and sustainment of City technology infrastructure to meet current and future needs. As part of the Service Resiliency project, IT has implemented technology that will enable essential systems to automatically re-start at a second site if the primary site experiences a facility failure. As of year-end, 73% of business systems could sustain an unscheduled data centre service interruption with minimal business impact. The project is expected to be completed by Q4 2018. IT will be implementing a Proactive Application Monitoring tool for a subset of applications in 2018. The Request For Proposals (RFP) closed in February 2018, and evaluations are currently underway. The IT Management Team will be reviewing the IT business continuity plan in Q2 2018.
11-003	The Acceptable Use of City Technology Resources Policy outlines an employee's responsibility for using City technology resources. The policy is a foundational policy of The City's Code of Conduct.	

11-004	Acquisition of business systems follows The City's approved governance for technology investment processes and practices. Intake for new acquisitions come from: business cases initiated for business units by IT Account Managers; IT Service Desk requests (Remedy); IT Vendor Management; and Supply (when staff direct purchase a system or infrastructure item). When selecting technology solutions, hardware or software, IT leverages research and analysis work undertaken by in-house subject-matter-experts' industry knowledge; vendor product roadmaps; industry partners; architectural and technical roadmaps; and, technology research firms. Projects in Information Technology are managed according to the IT Project Management Methodology maintained by the IT Project Management Office (PMO) and the Software Solutions Methodology maintained by Client Solutions. The IT PMO conducts Project Health Checks on all projects that are managed by IT resources. The results of these reviews are reported to the project managers and their direct supervisors. Larger Level 3 projects are also subject to the additional rigour of Corporate Project Management Framework (CPMF) Project Management Quality Assurance assessments. Maintenance & Sustainment of systems is prioritized with the business and managed by IT's Application Portfolio Management (APM) practices. IT has an asset management program for software and hardware, based on industry best practices and enterprise asset management.	The next version of The City's service management tool will help improve asset inventory capabilities. The estimated timeline for this initiative is Q1 2019.
11-005	IT and Corporate Security have introduced an Information Management and Information Security Policy. The Policy and its associated user and technical standards are overseen by the Information Management and Security Governance Committee and delegated responsibilities to the Chief Information Technology Officer and Chief Security Officer. Corporate Security has implemented an Information Security program including Compliance & Architecture, Security Operations and Incident Response Sections. Information Security is identified as a stakeholder for all projects reviewed through the Corporate Technology Committee and the IT Project Board. Information Security and Information Management Standards mandate specific security architecture, logging and monitoring be built into all new and existing information technology.	Information Management and Security Standards to be approved by Q2 2018 by Information Management and Security Governance Committee. IT and Corporate Security are reviewing the IT project intake process as part of their Zero-Based Reviews. This review is expected to be completed by Q4 2018. Please also refer to Attachment 3.
11-006	Corporate Security has implemented network and firewall compliance tools and testing across the IT Enterprise, with an established process to remediate identified non-compliance. These are measured against industry and best practice standards. Corporate Security conducts regular vulnerability scans, with an established process to patch identified vulnerabilities. A corporate cyber security threat risk assessment is conducted annually by a third party auditor. Further threat risk assessments are conducted for critical applications and segmented networks. Corporate Security has implemented a Security and Event Monitoring and analytics solution across the IT Enterprise. This includes third party monitoring 24/7, and internal incident and event triage and response. Corporate Security has implemented a suite of enterprise cyber response systems and procedures that align with IT's Crisis Management Plan. An enterprise forensic suite has been implemented.	Corporate Security continues to work with IT to identify application and system logs for inclusion into the Security and Event Monitoring solution. Please also refer to Attachment 3.
11-007	Access rights for new hires and deprovisioning of existing employees is managed by Identity Management practices and policies. Access rights are managed using Active Directory, which works in concert with the PeopleSoft Human Capital Management System for internal access rights, such as with DeptID Owners. Corporate Security and IT have a password standard which requires passwords to be changed on a periodic basis and specifies minimum password length and characters.	Please refer to Attachment 3.

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 12: Deploys through Policies and Procedures	Management's Assessment of Internal Control Principle	
The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	**Present and Functioning?**	YES

Points of Focus

- Establishes Policies and Procedures to Support Deployment of Management's Directives—Management establishes control activities that are built into business processes and employees' day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.
- Establishes Responsibility and Accountability for Executing Policies and Procedures—Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

- Performs in a Timely Manner—Responsible personnel perform control activities in a timely manner as defined by the policies and procedures.
- Takes Corrective Action—Responsible personnel investigate and act on matters identified as a result of executing control activities.
- Performs Using Competent Personnel—Competent personnel with sufficient authority perform control activities with diligence and continuing focus.
- Reassesses Policies and Procedures—Management periodically reviews control activities to determine their continued relevance, and refreshes them when necessary.

Controls Applicable to Principle 12

Identification No.	Internal Control Description	Further Actions Planned
12-001	The City's administration policies are one method of embedding controls within business processes and communicating them to employees. The City currently has 96 administration policies, many of which are supported by formalized procedures. Each policy is owned by a Department/Business Unit that are responsible for implementing and monitoring their policy. Policies continue to be updated and created to support the control environment and guide staff actions. Administrative policies are centralized in the City Manager's Office (CMO) Administration Policy Library, which both stresses the importance of policies to the organization and allows easy access to those policies.	The CMO will continue to coordinate the effort to update all Administration policies across the Corporation. There will be a review in 2018 to analyze whether policies can be further streamlined. The CMO will continually monitor the Administration Policy Library to find opportunities of policy alignment and efficiencies to ensure that policies are meeting the needs of various audiences in an easy to understand format. Finance is reviewing processes within the Corporate Budget Office as part of the Hyperion Project; process improvements, which will include the digitization of certain records now used in paper format, are planned for the middle of 2018.
12-002	The Supply Management procurement policies reflect The City's applicable trade agreements. Supply Management utilizes standard operating procedures and has implemented standard templates for procurement.	Supply is engaged in the process of reviewing and amalgamating its suite of procurement policies as part of a three-year policy review process. As part of this review, Supply has assessed changes to external standards for Canadian Free Trade Agreement (CFTA) and Canada-European Union Comprehensive Economic Trade Agreement (CETA) and will implement any necessary policy changes. In addition, key processes will also be captured or reviewed and will be rolled out to the organization.
12-003	Council adopts Council policies to promote governance and ensure consistent and transparent provision and operation of services, programs and facilities that are either necessary or desirable for The City of Calgary. The City has a suite of Council policies that are individually stewarded by Departments/Business Units. The administration and management of the policy program is the responsibility of the City Clerk's Office. Council policies undergo a formal review every four years to determine relevance and alignment with Council's objectives, priorities and resolutions.	Over the next two years, policy owners will be delivering on the Council policy work timeline established as a result of the 2016 Formal Council Policy Review. The City Clerk's Office will deliver Council Policy Sessions for policy owners in 2018 through 2019 to educate them about the Council Policy Framework and facilitate the review process.
12-004	The Corporate Project Management Framework (CPMF) program is a city-wide initiative to monitor and improve project management practices through the establishment of project management standards, guidance and enablers (ex. training, software, etc.). The CPMF is aligned to the Project Management Policy for Capital Projects (GN-036) and supports the planning/delivery/reporting of capital projects that are subject to that Policy as well as Municipal Government Act legislation. In addition, the CPMF has implemented a stage gating standard in 2017.	

INFORMATION AND COMMUNICATION

Principle 13: Uses Relevant Information	Management's Assessment of Internal Control Principle	
The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.	**Present and Functioning?**	YES

Points of Focus

- Identifies Information Requirements—A process is in place to identify the information required and expected to support the functioning of the other components of internal control and the achievement of the entity's objectives.
- Captures Internal and External Sources of Data—Information systems capture internal and external sources of data.
- Processes Relevant Data into Information—Information systems process and transform relevant data into information.
- Maintains Quality throughout Processing—Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.
- Considers Costs and Benefits—The nature, quantity, and precision of information communicated are commensurate with and support the achievement of objectives.

Controls Applicable to Principle 13

Identification No.	Internal Control Description	Further Actions Planned
13-001	The City has a structured and regular method of reporting financial information that provides Council and Management with the appropriate level of information on a timely basis. This information is linked to the objectives and therefore is used to assess organizational performance.	Administration will ensure that Council and Management continue to receive the necessary reports and information to make decisions.
13-002	The City utilizes the PeopleSoft Enterprise Resource Planning (ERP) software suite, a system that centralizes financial management, supply chain management, and human capital management at The City. PeopleSoft maintains information quality through built-in controls such as: Journal Approvals, Procurement Work Flow Approvals, eBill Payment Module, General Ledger Allocations functionality, Accounts Payable workflow, Project Costing Module, and Accounts Payable Voucher Spreadsheet Upload functionality.	The PeopleSoft ERP software will be upgraded in 2018; Go-Live was February 2018. Hyperion Planning and Budgeting module implementation is underway with completion of capital budgeting module by Q1 2018. The system will support planning and budgeting processes to be used to build the 2019-2022 four year budget.
13-003	The City's Records Management Bylaw 53M99 mandates that the objective of the Records Management Program is to ensure The City is able to provide, protect and preserve its records in order to meet operational, legal, fiscal and archival requirements. In addition, The City maintains a number of information and records management policies, which serve to protect the quality and security of information produced and utilized by The City.	
13-004	The Information Governance Policy (IM-IT-003), alongside the Council Transparency and Accountability Policy (CC039), establishes City information as a key, corporately-owned asset, to be governed and managed accordingly throughout its lifecycle in a manner that enables open, accountable, and participatory government. An Information Management and Security Governance Committee has oversight responsibilities for all programs concerned with governance of corporately-owned information assets, including information management, intellectual property management and external data access management.	The Information Governance Policy (IM-IT-003) has been revised. The new policy is called the Information Management and Security Policy, which was approved by ALT in Q1 2018. IT and City Clerks are continuously working together to improve processes for information management and records management. Content Server will be upgraded to improve supportability and security. The project is underway and is expected to be completed in Q2 2019.

Principle 14: Communicates Internally		Management's Assessment of Internal Control Principle	
The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.		**Present and Functioning?**	YES

Points of Focus
- Communicates Internal Control Information—A process is in place to communicate required information to enable all personnel to understand and carry out their internal control responsibilities.
- Communicates with the Board of Directors—Communication exists between management and the board of directors so that both have information needed to fulfill their roles with respect to the entity's objectives.
- Provides Separate Communication Lines—Separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication when normal channels are inoperative or ineffective.
- Selects Relevant Method of Communication—The method of communication considers the timing, audience, and nature of the information.

Controls Applicable to Principle 14

Identification No.	Internal Control Description	Further Actions Planned
14-001	The City's intranet is used effectively to communicate control information. The "myCity" website, which receives approximately 13,000 visits on an average working day, provides an easily accessible location for City staff to review corporate policies, procedures, internal updates and other pertinent information. Business units have also updated their profiles and have frequently asked questions addressed on their web pages. Weekly electronic newsletters, such as Take Five, provide timely reminders on key issues.	A myCity update project is underway, which will extend access to all employees, including field staff. It will facilitate serving targeted content to employees based on their unique context, such as their business unit or location. This update is expected to be completed by the end of 2018.
14-002	The City Manager's Office Administration Policy Library on the myCity intranet site is a central repository for all current City administration policies. This allows City staff to access this information in a convenient format from anywhere in The City that computer access is available, as well as through the Citrix system. The general public can access the Administration Policy Library through www.calgary.ca. Both myCity and calgary.ca have undergone user experience improvements enabling easier access to such information.	
14-003 (also refer to 15-002)	Council implemented the Whistle-blower Policy in 2007 and the corresponding program, where employees and the public can report waste and/or wrongdoing confidentially and can choose to report anonymously if desired. Information on the program can be found on The City's website.	
14-004 (also refer to 04-005)	Corporate Learning & Development programs educate leaders and employees about their responsibilities and how these are to be discharged in various areas. Currently there are four programs: Manager Leadership Development Program, Supervisory Leadership Development Program, City Specific Development Series and Individual Contributor Development Series. These programs deliver learning opportunities for all groups of employees to develop the skills required for municipal excellence. All new Dept ID Owners receive information on the HCM and FSCM system and how to access training.	An emerging leader program was piloted in 2017 and is scheduled to be rolled out in 2018 along with a leader on-boarding program.
14-005	The City of Calgary Orientation (COCO) program was launched in November 2009 for new employees. COCO is available online or in a classroom setting and is presented in six themes: Who We Are; What We Do; How We Work; What We Give; What You Give; and Finding Your Way. The modules offer a comprehensive view of The City to new employees including the key elements that govern our actions including the Code of Conduct. The City Manager provides an introduction at the workshop and meets all participants.	COCO continues to be updated and provided to staff new to The City at regular intervals.
14-006	A series of internal control awareness sessions have been developed for Finance staff and are continually updated and provided to staff. Financial reporting and tangible capital assets training sessions have been developed for Finance staff and are available on myCity.	

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 15: Communicates Externally	Management's Assessment of Internal Control Principle	
The organization communicates with external parties regarding matters affecting the functioning of internal control.	**Present and Functioning?**	YES

Points of Focus

- Communicates to External Parties—Processes are in place to communicate relevant and timely information to external parties including shareholders, partners, owners, regulators, customers, and financial analysts and other external parties.
- Enables Inbound Communications—Open communication channels allow input from customers, consumers, suppliers, external auditors, regulators, financial analysts, and others, providing management and the board of directors with relevant information.
- Communicates with the Board of Directors—Relevant information resulting from assessments conducted by external parties is communicated to the board of directors.
- Provides Separate Communication Lines—Separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication when normal channels are inoperative or ineffective.
- Selects Relevant Method of Communication—The method of communication considers the timing, audience, and nature of the communication and legal, regulatory, and fiduciary requirements and expectations.

Controls Applicable to Principle 15

Identification No.	Internal Control Description	Further Actions Planned
15-001	Council engages the public through public hearings and deliberations. The 2018 Budget Adjustments were presented to Council in November 2017. These Council sessions were open to the public. Citizens and public agencies had the opportunity to make presentations at this meeting. The Council Engage Policy (CS009) advises on engagement opportunities within The City.	In 2018 as the 2019-2022 service plans and budgets are developed, there will be regular discussions with Council as part of their strategic meetings. Calgarians will be invited to provide input on the priority that they place on value characteristics for services. In addition, the public will have the opportunity to provide comments on the preview of the service plans and budgets in September, and will be able to provide comments as part of Council deliberations on the proposed plans and budgets in November. Online data collection, an online Citizens' View Panel and an internal survey are planned. These are pending approval by Council.
15-002 (also refer to 14-003)	Refer to 14-003 in regards to the Whistle-blower Program's functionality for members of the public, contractors and other external parties.	
15-003	As a democratically governed organization, citizens can contact members of City Council. Each Councillor has an individual website, and maintains accessibility to the public through community liaisons. In addition, individual Councillors' offices regularly keep in touch with their constituents via social media, community-based newsletters and other forms of communications. The Ethics Advisor is an additional resource the Councillors can use in order to ensure that communications and activities are aligned Council policies or related regulations, such as in the Local Authorities Act, Municipal Government Act and the City's Procedural Bylaw. Should there be a complaint regarding a Councillor, the Integrity Commissioner Complaint Policy can be utilized. Information regarding reporting procedures is available to the public through The City website.	
15-004	The City's 3-1-1 Call Centre operates as a single point of contact between citizens and The City, allowing for the efficient intake of information to highlight potential service issues. In 2017, citizens used their ability to contact The City anytime, anywhere to make over one million calls and submit over 100,000 electronic self-service requests.	Customer Service & Communications (CSC) plans to introduce a call-back options to minimize wait-times and improve service targets in 2018. Additionally, CSC plans to deploy enhanced modules for speech analytics and quality assurance report cards for agents to improve content and quality.
15-005	The City's external website, calgary.ca, is a tool for stakeholder communications. As the vast majority of Calgary's general population has internet access at home, The City's internet presence allows citizens to quickly and efficiently retrieve data on matters of municipal importance. The calgary.ca website received over 21 million visits and nearly 78 million page views in 2017. The City's internet site also allows The City to effectively communicate relevant and timely information to external stakeholders.	Customer Service & Communications is currently scoping a program envisioning the future City of Calgary web presence to prepare for the future expiry of our Content Management Software (CMS) license. Considerations include meeting the expectations of citizens, aligning with service-based delivery and managing the impact of legacy applications and internal processes on the user's ability to find information and complete tasks.
15-006	The Freedom of Information and Protection of Privacy (FOIP) Program ensures the provisions of the FOIP Act are adhered to, and promotes proactive disclosure of information. The public may request information from The City through a FOIP request.	Effective 2018, the City Clerk's Office will provide semi-annual proactive disclosure of FOIP statistical information on calgary.ca.
15-007	Meetings of Council and its Committees are open to public attendance except where the FOIP Act specifically allows for closed meeting discussions. All public proceedings of Council and Standing Policy Committees, as well as Audit and Priorities and Finance, are streamed online.	
15-008	Intergovernmental & Corporate Strategy (ICS) performs consultations with other levels of government for legislative and policy changes.	

MONITORING ACTIVITIES

Principle 16: Conducts Ongoing and/or Separate Evaluations	Management's Assessment of Internal Control Principle	
The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	**Present and Functioning?**	YES

Points of Focus

- Considers a Mix of Ongoing and Separate Evaluations—Management includes a balance of ongoing and separate evaluations.
- Considers Rate of Change—Management considers the rate of change in business and business processes when selecting and developing ongoing and separate evaluations.
- Establishes Baseline Understanding—The design and current state of an internal control system are used to establish a baseline for ongoing and separate evaluations.
- Uses Knowledgeable Personnel—Evaluators performing ongoing and separate evaluations have sufficient knowledge to understand what is being evaluated.
- Integrates with Business Processes—Ongoing evaluations are built into the business processes and adjust to changing conditions.
- Adjusts Scope and Frequency—Management varies the scope and frequency of separate evaluations depending on risk.
- Objectively Evaluates—Separate evaluations are performed periodically to provide objective feedback.

Controls Applicable to Principle 16

Identification No.	Internal Control Description	Further Actions Planned
16-001	Finance oversees the control activities that maintain the reliability and integrity of the financial reporting process.	
16-002	The annual Control Environment Assessment Report assists in establishing a baseline understanding of The City's internal control system as a whole as assessed by management, and is provided to the Audit Committee.	
16-003	The City benefits from reviews of various financial information at all levels of the Corporation. Monthly reviews by management of financial results to budget numbers help ensure that The City remains on track with its established financial objectives. Mid-year and year-end accountability reports and budget revision reports to Council have been implemented as part of the Multi-year Business Plan and Budget process. Further, reviews of system generated exception reports in many business units also ensure regular monitoring of financial information.	Monthly EIR reviews are ongoing. Mid-year and year-end accountability reports in addition to capital and operating budget revision reports will be prepared for Council approval. Management will continually monitor risks and the effectiveness of the related internal controls and take appropriate action where necessary.
16-004	Supply Management has established a Performance Quality Management Team (PQM) that runs monthly and quarterly reports and performs quality reviews of procurement files. An annual schedule of reporting and file reviews is developed and the program is sustained as part of business management systems within Supply Management. Supply Management continues to be a part of several audit focuses for procurement (both internal and external audit).	Supply will be implementing a new Supply Management Internal Audit program using internal resources and coordinated through the PQM division. Resources have been identified and are currently completing internal auditor training. Supply will be reviewing the current suite of Key Performance indicators for improvement in two areas; conversion to RBA format and to establish a baseline for new measure that are focusing on "are we better off".
16-005	The City Auditor's Office, which is fully independent of Administration and reports directly to the Audit Committee, conducts risk-based audits areas of The City's operations as identified in the annual plan approved by the Audit Committee.	Management will continue to receive and respond to reports from the City Auditor's office and to track and implement all appropriate recommendations.
16-006	The annual external audit provides additional feedback on the Corporation's system of internal controls through a Management Letter.	The annual external audit will continue to provide feedback on the effectiveness of The City's internal controls over financial reporting through the Management Letter process.
16-007	The City of Calgary undergoes independent external audits and reviews around certain of its processes and controls. One of the most in-depth of these is the annual Payment Card Industry (PCI) audit of data security practices for credit card payments.	
16-008	The City benefits from reviews of various financial information at all levels of the Corporation. Periodic and year-end reviews by management of financial results help ensure that The City remains compliant with Public Sector Accounting Standards and is on track with its financial objectives. Annually, there are three reporting periods, periodic reporting (May 31 and September 30) and year end reporting (December 31). Financial information from business units and related authorities (year-end only) is submitted to Corporate Financial Reporting for review and consolidation ensuring regular monitoring of financial information. The Annual Report is prepared from year-end reporting results and is presented to Audit Committee and Council for approval. Management will continually monitor risks and the effectiveness of related internal controls and implement appropriate actions where necessary.	

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL - INTEGRATED FRAMEWORK)

Principle 17: Evaluates and Communicates Deficiencies	Management's Assessment of Internal Control Principle	
The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.	**Present and Functioning?**	YES

Points of Focus
- Assesses Results—Management and the board of directors, as appropriate, assess results of ongoing and separate evaluations.
- Communicates Deficiencies—Deficiencies are communicated to parties responsible for taking corrective action and to senior management and the board of directors, as appropriate.
- Monitors Corrective Actions—Management tracks whether deficiencies are remediated on a timely basis.

Controls Applicable to Principle 17

Identification No.	Internal Control Description	Further Actions Planned
17-001	Management is required to provide responses to the internal audit recommendations made by the City Auditor's Office and to provide timely delivery on agreed upon corrective action plans. The City Auditor's Office provides ongoing tracking and follow-up to validate implementation and reports results quarterly to the Audit Committee.	Management will continue to track and address the recommendations of all internal audits.
17-002	The annual Management Letter provided by The City's external auditor is reviewed by Corporate Financial Reporting, which works in conjunction with City Administration to address and remediate identified issues and to implement any recommendations.	Management will continue to track and address the recommendations of all Management Letter points.
17-003	A key component of the Whistle-blower Program is, where possible and appropriate, to determine underlying causes of procedural failure or control weakness leading to a concern being reported. Recommendations are raised to the attention of Management with a view that, if implemented, these corrective actions would mitigate opportunity for similar activities to reoccur.	