

ISC: Unrestricted
AC2014-0087
Attachment 1



THE CITY OF
CALGARY
CITY AUDITOR'S OFFICE

**Quarterly Status Report
October 1, 2013 – December 31, 2013**

January 15, 2014

**Katharine Palmer
City Auditor**

This page intentionally blank

1. Introduction

The City Auditor is accountable to City Council and subject to the oversight of the Audit Committee in accordance with Bylaw 44M2006, *Procedure Bylaw*.

To support Audit Committee’s oversight of the City Auditor’s Office, the City Auditor provides Quarterly Status Reports to the Audit Committee.

This report presents the City Auditor’s Quarterly Status Report for the period of October 1, 2013 to December 31, 2013. The report includes a progress update on the projects included in the 2013 Annual Audit Plan as well as an overview of the significant activities carried out by the office.

2. Status of Activities and Results

2.1. Audit and Advisory Activities

The following reports have been discussed in Audit Committee meetings during Quarter 4, 2013:

Report Name	Presented to A/C
2014 Annual Audit Plan	2013/12/12
Audit Recommendations Follow-up – Management Actions up to April 30, 2013	2013/12/12
City Auditor’s Office Bylaw and Charter	2013/12/12
Quarterly Status Report – July 1, 2013 – September 30, 2013	2013/12/12

The following project was also completed in the 4th Quarter, 2013. A formal report was not issued to Audit Committee regarding this activity.

Recommendation Follow-up – Calgary Police Service

The City Auditor’s Office followed-up on 5 recommendations from the Calgary Police Service (CPS) Security Check Process Audit conducted in 2012. Based on the information provided by the CPS staff, we are satisfied with the actions taken and have closed 4 of the 5 recommendations. One recommendation remained in-progress and is expected to be complete by December 31, 2013. We reported the results of our follow-up work to the Calgary Police Commission on November 26, 2013.

2.2. Audit Office Activities

Recruitment

At December 31, 2013 the City Auditor's Office had two unfilled positions. Recruitment was in progress for a Deputy City Auditor, and a conditional offer had been issued to fill the temporary position of Auditor.

2.3. 2013 Annual Plan

Bylaw 30M2004, *City Auditor Bylaw*, established the City Auditor position. The Bylaw requires the City Auditor to submit an Annual Audit Plan for approval by the Audit Committee.

The 2013 Annual Audit Plan was approved by Audit Committee on November 15, 2012. **Appendix 1** provides the status of each project in the plan as of December 31, 2013.

At December 31, 2013 only five projects from the 2013 Annual Audit Plan remain uncompleted. All five projects are in the reporting phase and are on track to issue final reports in Q1 2014.

2.4. 2013 Budget

Budget and estimated actual expenditures for the City Auditor's Office for the year ended December 31, 2013 are presented in Exhibit 1.

Exhibit 1 - City Auditor's Office Estimated 2013 Year-end Operating Budget Results (\$'000's)

Budget	\$2,230
Estimated Actual ¹	\$1,846
Estimated Year-end Variance	\$384

The positive variance reflects significant reduction in salary expenses due to staff vacancies and leaves of absence which occurred throughout 2013. At December 31 2013 one Deputy City Auditor position is unfilled (currently filled by a Senior Auditor on a temporary basis) and one Auditor is on a leave of absence.

¹ As of January 7th, 2014 and does not reflect December invoices or accrued salary.

2013 Annual Audit Plan and Proposed Changes – Status as of 31 December, 2013

Project Title	Status	Target Completion
2012 In-Progress		
Transit Overtime Management	Complete – Report issued April 2013	April 2013
City Auditor Bylaw	Complete – Report issued December 2013	December 2013
Convention Centre Authority	Complete – Report issued August 2013	September 2013
Calgary Police Service Security Check Process	Complete – Report issued December 2012	February 2013
Payroll Review and Approval Process	Complete – Report issued June 2013	June 2013
IT Hardware Inventory Management	Complete – Report issued June 2013	June 2013
Health & Safety Management	Removed from Audit Plan. Advisory support not required by Administration.	N/A
IT Network Access Security	Complete – Report issued May 2013	May 2013
PeopleSoft Access Security	Complete – Report issued May 2013	May 2013
Audit Committee/City Council Directed		
Whistle-Blower Investigations	In-Progress 54 new reports have been received in 2013.	2013 Whistle-Blower Annual Report Q1- 2014
2014 Annual Audit Plan	Complete – December 2013 Audit Universe continuously updated.	December 2013
Risk Assessed Priority		
Recommendation Follow-up	Complete. 1st Cycle 2013 Report issued December 2013.	December 2013
Risk Assessed Priority		
Emerging Issues - City Auditor discretion:		

- RFP External Auditor - Pay for Performance Advisory Project - Quality Assessment Review Recommendation Response	Complete. Complete. Complete	May 2013 August 2013 2013 Annual Report
Audit Committee Orientation (Lunch & Learn events)	Complete – March 21, April 18, May 16, and July 25.	Ongoing
Advisory support to Council	Complete.	May 2013
Quality Assessment Review	Complete. Report March 2013	March 2013
Integrated Risk Management	Planning complete. Fieldwork completed. Reporting underway.	March 2014
Payroll Review and Approval Process-Part 2	Planning completed. Fieldwork completed. Reporting underway.	January 2014
1. Facility Utilization	Planning completed. Fieldwork completed. Reporting underway.	January 2014
Privacy Health Check Process	Complete. Management Letter issued May 2013.	May 2013
Public Safety Communications	Cessation of audit work – other on-going initiatives in PSC underway. Further audit or advisory work will be evaluated as part of the preparation of the 2014 Annual Audit Plan.	N/A
West LRT	Complete. Report issued July 2013.	July 2013
Attainable Homes Calgary	Planning complete. Fieldwork complete. Reporting underway.	March 2014
Business Continuity/Disaster Recovery Plans	Audit cancelled, advisory support provided to Administration when requested during Q3 and Q4 2013 regarding reviews of recent Business Continuity events.	N/A
Virtual Server Security	Planning completed. Fieldwork completed. Reporting Underway.	February 2014