

## Bonnybrook Plant D Expansion Audit

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### EXECUTIVE SUMMARY

The City Auditor's Office issued the Bonnybrook Plant D Expansion Audit Report to Administration on November 12, 2018. The report includes Administration's response to four recommendations raised by the City Auditor's Office reflecting opportunities to improve the efficiency of existing project controls. The Project management team within the Water Resources Business Unit have agreed to all recommendations and have set action plan implementation dates no later than December 31, 2018. The City Auditor's Office will track the implementation of these commitments as part of our ongoing follow-up process.

### RECOMMENDATIONS

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

### RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 NOVEMBER 20:

That Council receive Report AC2018-1346 for information.

### PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's 2017/18 plan was approved on November 10, 2016. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

### BACKGROUND

The Bonnybrook Wastewater Treatment Plant's (WWTP) Plant D Expansion Project (the Project) will increase the Plant's treatment capacity by 30% to service projected population growth in Calgary and the surrounding communities, with a projected cost of \$636M. The Project will upgrade existing facilities and equipment, expand treatment capacity, and improve Bonnybrook WWTP resiliency and environmental performance. The Project comprises 14 Work Packages; planning began in 2013, construction in 2016, and completion is expected in 2025. The Project is part of a larger program of work at Bonnybrook WWTP that encompasses capacity upgrades to existing infrastructure, enhanced energy efficiency, electrical upgrades and the construction of a new Dewatering Building that supplies biosolids to the City's new composting facility.

The objective of the audit was to assess the effectiveness of The City's project management of the Project. The objective was achieved by evaluating the design and operation of Project controls that mitigate schedule, safety, quality, and environmental risks.

Overall schedule, safety, quality, and environmental risks to the Project are appropriately mitigated. We made four recommendations to increase efficiency of controls through improvement in oversight, monitoring, and reporting. The Project team have agreed with our

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recommendations, and have set action plan implementation dates no later than December 31, 2018.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

#### **Stakeholder Engagement, Research and Communication**

This audit was conducted with the Project team within the Water Resources Business Unit as the principal audit contact within Administration.

#### **Strategic Alignment**

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

#### **Social, Environmental, Economic (External)**

N/A

#### **Financial Capacity**

##### **Current and Future Operating Budget**

N/A

##### **Current and Future Capital Budget**

N/A

#### **Risk Assessment**

The activities of the City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure. This audit was undertaken as part of the approved City Auditor's Office 2017/2018 Annual Audit Plan and focused on the effectiveness of The City's project management of the Bonnybrook Plant Expansion project's controls to mitigate risks identified in our risk assessment.

#### **REASON FOR RECOMMENDATIONS**

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

### **ATTACHMENT**

Bonnybrook Plant D Expansion Audit – AC2018-1346