

Calgary Community Standards – Livery Transport Services Audit

EXECUTIVE SUMMARY

The City Auditor's Office issued the Calgary Community Standards – Livery Transport Services Audit Report to Administration on March 13, 2019. The report includes Administration's response to recommendations raised by the City Auditor's Office to Livery Transport Services reflecting growing industry complexity and enhancement of existing controls. Administration accepted all 14 recommendations and has committed to the implementation of action plans no later than December 31, 2022. The City Auditor's Office will track the implementation of these commitments as part of our on-going follow-up process.

RECOMMENDATIONS

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

RECOMMENDATION OF THE AUDIT COMMITTEE, 2019 MARCH 22:

That Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

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

BACKGROUND

This audit was undertaken as part of the approved City Auditor's Office 2018 Annual Audit Plan. Livery Transport Services within the Calgary Community Standards Business Unit regulates drivers, vehicles and companies in the livery industry according to the requirements of the Livery Transport Bylaw (6M2007). Significant livery industry changes occurred in 2016 with the introduction of transportation network companies, which added 4,500 drivers and associated vehicles-for-hire to Livery Transport Services' responsibilities. In 2018, over 10M livery trips were completed.

The objective of this audit was to assess the effectiveness of internal controls that support public and driver safety.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Overall, existing controls were operating as designed to support safety of passengers and drivers. We highlighted examples of the contribution these controls make to public safety, such as taking vehicles with serious defects out of service, in the results section of the Attachment.

We raised five significant recommendations reflecting growing industry complexity and opportunities to provide effective and efficient monitoring of all classifications of livery vehicles and drivers. These recommendations focused on three main themes: validation of security camera operation, defining an integrated enforcement strategy utilizing data analytics, and

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system enhancements to provide the necessary data. We also included nine recommendations to enhance the consistent performance of existing controls in the observation section.

Stakeholder Engagement, Research and Communication

This audit was conducted with Livery Transport Services acting as the principal audit contact(s) 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 since the regulation of livery services is a critical component to ensure the safety of passengers and drivers.

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

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