



**Calgary**

City Auditor's Office

**1st Quarter 2019 Report  
January 1, 2019 – March 31, 2019**

**April 23, 2019**

**Katharine Palmer  
City Auditor**

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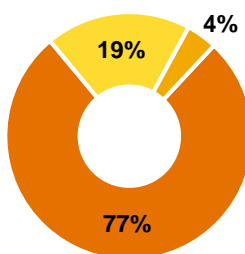
# 1. Status Update

Key Performance Indicators				
Measure Area	Performance Indicator	Target	YE 2018	Q1 2019
Efficiency	On Track to Annual Plan	Q1-30% 2018-100%	94%	32%
Effectiveness	Timely Implementation of Audit Rec.	65%	42%	62%
Quality	Client Satisfaction	85% 2018- 75%	99%	91%
Staff	Training Plan Achieved	90%	98%	100%

Budget				
	2019 Annual Budget	Q1 Cumulative Budget	Actual to Date	Variance
Salary	2,769	634	620	(14)
Contracts	105	49	49	0
Training	62	15	9	(6)
Other	129	28	19	(9)
<b>Total</b>	<b>3,065</b>	<b>726</b>	<b>697</b>	<b>(29)</b>

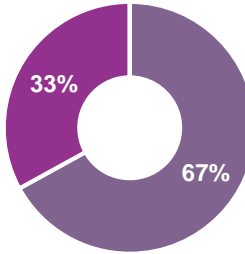
### Whistle-blower Program Activity

New Reports (Q1 – 2019)  
**26**




- 20 Employee
- 5 Non-employee
- 1 Undetermined

In-Progress Investigations (Q1 – 2019)  
**18**



- 12 City Auditor's Office
- 6 WBP Triage Partners

Closed Investigations (Q1 – 2019)  
**7**



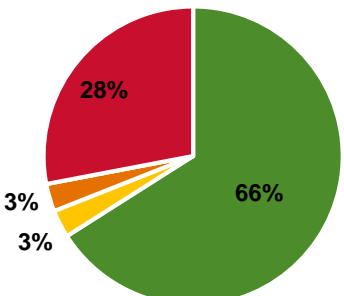
**Recommendation Categories\***

- 2 Respectful Workplace
- 1 Recruiting & Employment
- 2 Theft of Time

\*Recommendations/Corrective Actions are published at [www.calgary.ca/whistle](http://www.calgary.ca/whistle)

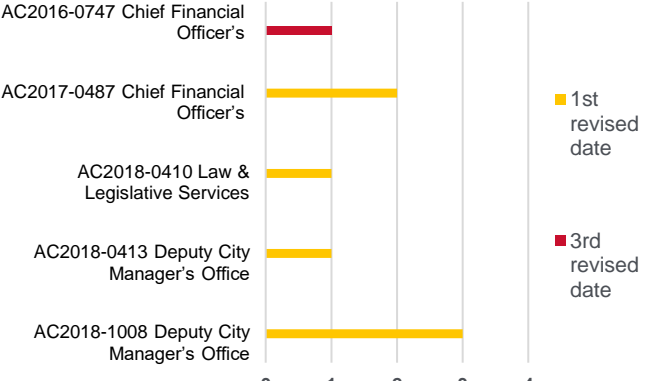
### Recommendation Follow-up

**Results of 29 Recommendations Due in Q1 (Q4 - 39)**



- 19 Implemented (Q4 - 69%)
- 1 Closed - Alternative Mitigation (Q4 -0%)
- 1 Closed - Mgmt. Accepts Risk (Q4 -10%)
- 8 Required Additional Time (Q4 - 16%)

**Outstanding Recommendations # of Revised Date Requests**



- 1st revised date
- 3rd revised date

## **2. Initiative Briefing: Key Performance Indicators**

The City Auditor's Office (CAO) utilizes key performance indicators (KPIs) to support delivery of assurance, advisory and investigative services in an efficient and effective manner. Reporting quarterly on KPIs demonstrates our accountability to Audit Committee and Council, by monitoring our progress against annual targets and identifying opportunities for continuous improvement.

The CAO's customized suite of KPIs is designed to measure, through selected indicators, efficiency, effectiveness and quality of delivered services, as well as staff experience and knowledge. This suite was developed employing best practices, and reflects a "balanced scorecard", which is a range of measures that capture performance related to multiple drivers of success. The calculation of each KPI uses a defined methodology to ensure objective reporting from quarter to quarter. The methodology behind two of these KPIs, which focus specifically on efficiency and effectiveness, is further described below.

### **On Track to Annual Plan KPI**

The CAO provides a two-year Annual Audit Plan to Audit Committee for approval. The two-year plan supports coverage of high risk activities across Administration's Business Units over an appropriate coverage period. Annual completion below 95 percent could jeopardize the assurance provided to Audit Committee. This KPI tracks the percentage of the annual audit plan completed, based on an established schedule, which will increase during the year as individual audit projects progress.

The KPI is highlighted in green reflecting completion of more than 30 percent of the annual audit plan, as per the plan schedule. The CAO is currently on track to complete the plan by year-end. Since our year end completion for 2018, at 94 percent of plan, did not meet the target of 100 percent of the annual schedule, we identified opportunities to support improvements in our audit plan deliverables for 2019.

### **Timely Implementation of Audit Recommendations KPI**

The CAO tracks whether Administration's action plans to address recommendations are implemented on a timely basis. This is a measure of the value provided by the CAO to hold Administration accountable to mitigate risk and support a Well-Run City through continuous improvement.

The Timely Implementation of Audit Recommendation KPI reflects completion of 62 percent of action plans by the initial commitment date provided in the audit report presented to Audit Committee. Since recommendation implementation is the responsibility of management not the CAO, a notional target of 65 percent was established as a benchmark. This KPI is generated based upon the first time the CAO follows up with Administration regarding the status of an audit recommendation. In cases where Administration do not meet their initial commitment date, after the first time follow up, a revised date will be requested from management and the CAO will continue to follow up until action is completed.

## 2018/2019 Annual Audit Plan – Status as at March 31, 2019

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
<b>2018 Carry Forward</b>				
1	Calgary Parking Authority	An operational audit of Calgary Parking Authority's asset management processes for the parkade portfolio that they own and operate.	Q1, 2019	Reported January 2019
2	Community Planning/Calgary Approvals	An operational audit to assess the effectiveness of processes to improve permit timelines.	Q1, 2019	Reporting
3	Calgary Community Standards – Livery Transport Services	An operational audit assessing the effectiveness of internal controls that support public and driver safety.	Q1, 2019	Reported March 2019
4	Annual Control Environment Assessment	An operational audit assessing the design effectiveness of the Annual Control Environment Assessment and assessing the operating effectiveness of control activities which support COSO Principle 3: Establishes Structure, Authority and Responsibility.	Q1, 2019	Reported February 2019
5	Emergency Management	An operational audit of emergency preparedness and related business continuity plans.	Q2, 2019	Reporting
<b>2019 Audits</b>				
1	Green Line – Governance	An operational audit of Green Line Project organization/governance framework.  Citizen Priority – A City that Moves	Q2, 2019	Reported March 2019

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
2	Off-site Levy Administration	An operational/IT audit of the effectiveness of City processes (including calculation practices) and system controls that support capital cost recovery and use of collected levies governed by the 2016 Off-site Levy Bylaw.  Citizen Priority – A Well-Run City	Q3, 2019	Fieldwork
3	Warehouse/Inventory Systems	An operational audit of warehouse and inventory systems supporting significant City assets.  Citizen Priority – A Well-Run City	Q3, 2019	Fieldwork
4	Pensions Compliance	A compliance audit as required by Alberta Pension Services providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire, and SFPP).	Q2, 2019	Fieldwork
5	Waste and Recycling Services – Cart Contamination Prevention	An operational audit of the effectiveness of contamination prevention activities supporting the Waste and Recycling Services cart programs.  Citizen Priority – A Healthy and Green City	Q3, 2019	Planning
6	Budget Management	An operational audit of processes and reporting tools available to DeptID owners to support effective management of their operating budget.  Citizen Priority – A Well-Run City	Q4, 2019	Not started
7	Corporate Issue Management Program	An operational audit on the maturity of The City's Corporate Issue Management Program.  Citizen Priority – A Well-Run City	Q4, 2019	Not started

2018/2019 Annual Audit Plan				
#	Title	Description	Report Target	Status
8	Calgary Fire - Inspections	An operational audit of processes and reporting tools available to DeptID owners to support effective management of their operating budget.	Q1, 2020	Not started
9	Roads – Pothole Remediation	An operational audit of the efficiency and effectiveness of pothole remediation.  Citizen Priority – A City that Moves	Q1, 2020	Not started
10	Elections Follow-up	A follow-up audit to review action plans implemented in response to the 2017 Municipal Election Review (AC2018-0852).  Citizen Priority – A Well-Run City	Q2, 2020	Not started