

CONTROL ENVIRONMENT		
Principle 1: Demonstrates Commitment to Integrity and Ethical Values (Control Environment)	Contributors	Management's Assessment of Internal Control Principle
The organization demonstrates a commitment to integrity and ethical values.	<div>• City Manager's Office</div> <div>• Human Resources</div> <div>• Integrity & Ethics Office</div> <div>• City Auditors' Office</div> <div>• Supply Management</div> <div>• Environmental & Safety Management</div>	<div>Present and Functioning?</div> <div>YES</div>
<div>Points of Focus</div> <div><div>• 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.</div><div>• 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.</div><div>• 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.</div><div>• 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.</div></div>		
Controls Applicable to Principle 1		
Identification No.	Internal Control Description	Further Actions Planned
01-001 (also refer to 04-001) <i>City Culture</i>	<div>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 4Cs are the essential qualities of our organization: Character, Competence, Commitment, Collaboration. These have been endorsed by the Administrative Leadership Team (ALT), and discussed with the Corporate Management Team and have been reinforced with Council through the Council orientation process. A toolkit is available to leaders and supervisors to support the dialogue regarding corporate culture and the 4Cs.</div> <div>The Corporate Employee Survey includes questions on the 4Cs, culture, diversity, and inclusion. The City's ALT will review and monitor the actions resulting from findings of the 2018 Corporate Employee Survey.</div> <div>The City has a values-based Code of Conduct, which supports the desired corporate culture and guides service delivery in an effective and ethical manner. In 2018, training for the Code of Conduct was refreshed and made mandatory. All City employees were to complete the new Code of Conduct training by Dec. 31, 2018.</div>	<div>The City's ALT will review and monitor the actions resulting from findings of the 2018 Corporate Employee Survey.</div> <div>The City's ALT will ensure all City staff have completed Code of Conduct Training.</div>
01-002 (also refer to 04-001) <i>Code of Conduct</i>	<div>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. Mandatory Code of Conduct training was developed (2017) and rolled out to the organization (2018). The training provides direction, tools, resources and principles to guide behaviour and decision-making; including, a decision making tree, and scenario-based examples to support employees and leaders understanding of the Code and its underlying policies. The training has been offered in two forms; eLearning, for employees with computer access and facilitated sessions for employees without computer access.</div> <div>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.</div>	<div>The Code of Conduct training will be completed in 2019 Q1. In 2019 Human Resources will develop a sustainment strategy for Code of Conduct education and awareness.</div>

01-003 <i>Council Integrity</i>	<p>Bylaw 26M2018, the Code of Conduct for Elected Officials Bylaw, was approved by City Council on May 28, 2018. This bylaw establishes the rules of conduct that a member of council must follow in the discharge of their office. This bylaw replaced, further formalized, and codified the Ethical Conduct Policy, CP2017-03. The bylaw's development was guided by the Alberta Provincial Regulation AR 200/2017, which establishes a set of matters that a code of conduct bylaw must address.</p> <p>The Code of Conduct for Elected Officials Bylaw addresses the requirements of elected officials when they are representing or communicating on behalf of The City, requirements for respecting the decision-making process and adherence to policies, procedures and bylaws, requirements for respectful interaction with other elected officials, staff, the public, and others, requirements for the management of confidential information, requirements around conflicts of interest and the improper use of influence or municipal assets, and requirements around what elected officials should and should not do during an election.</p> <p>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.</p>	Following the departure of the incumbent Ethics Advisor effective January 31, 2019, The City has been in the process of recruiting a new Ethics Advisor.
01-004 <i>Citizen Member Code of Conduct</i>	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 <i>Integrity Reporting Process</i>	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. Council Policy CC026 includes the requirement for the City Auditor to report, at least on an annual basis, information related to reports received and investigations conducted during the year through the Audit Committee.	
01-006 <i>Procurement Integrity</i>	<p>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. Environmental & Safety Management provides environmental expertise to support Supply implementing this policy.</p> <p>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.</p>	The Corporation adheres to SEEPP through a variety of mechanisms including Supplier code of conduct, prequalification, evaluation criteria and RFX template language. This Council Policy is under review by Supply Management, with the support of Environmental & Safety Management. As part of this review, Supply Management completed a survey of Council and will now begin engagement on this policy with other relevant stakeholders. The review of SEEPP is expected to be complete in Q4 2019. In addition, Social Procurement will be incorporated into the SEEPP policy after the three-year Social Procurement pilot project is complete (exp. End of 2021).

Principle 2: Exercises Oversight Responsibility (Control Environment)		Contributors	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.		<div>• City Clerk's Office</div> <div>• Executive Assistant to the Audit Committee</div> <div>• Chief Financial Officer</div> <div>• City Auditor's Office</div> <div>• Human Resources</div> <div>• Finance</div>	Present and Functioning?	YES
<div>Points of Focus</div> <div><div>• Establishes Oversight Responsibilities</div><div>—The board of directors identifies and accepts its oversight responsibilities in relation to established requirements and expectations.</div><div>• Applies Relevant Expertise</div><div>—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.</div><div>• Operates Independently</div><div>—The board of directors has sufficient members who are independent from management and objective in evaluations and decision making.</div><div>• Provides Oversight for the System of Internal Control</div><div>—The board of directors retains oversight responsibility for management's design, implementation, and conduct of internal control:<div><div>– Control Environment</div><div>—Establishing integrity and ethical values, oversight structures, authority and responsibility, expectations of competence, and accountability to the board.</div><div>– Risk Assessment</div><div>—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.</div><div>– Control Activities</div><div>—Providing oversight to senior management in the development and performance of control activities.</div><div>– Information and Communication</div><div>—Analyzing and discussing information relating to the entity's achievement of objectives.</div><div>– Monitoring Activities</div><div>—Assessing and overseeing the nature and scope of monitoring activities and management's evaluation and remediation of deficiencies.</div></div></div></div>				
Controls Applicable to Principle 2				
Identification No.	Internal Control Description		Further Actions Planned	
02-001 <i>Council Independence</i>	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 <i>Council Structure</i>	There are over 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 <i>Audit Committee Bylaw</i>	<div>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.</div> <div>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.</div>		A review of the Audit Committee Bylaw is part of the Work Plan for the Audit Committee in 2019.	
02-004 <i>Audit Committee Composition</i>	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 <i>Audit Committee Reviews</i>	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 <i>Audit Committee Self-Review</i>	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.			

02-007 CAO <i>Independence</i>	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 Audit Plan approved by Audit Committee. Reports from these audits (including Administration's response to recommendations) are presented to Audit Committee and released to the public through the Audit Committee agenda.	
02-008 CAO <i>Reporting</i>	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 <i>Pension Governance Committee Responsibility</i>	Civic employees and elected officials qualify to belong to one or more multiemployer pension plans and defined-benefit pension plans provided by The City or in which The City participates. The Pension Governance Committee (PGC) reports annually to the Priorities and Finance Committee (PFC) through the City Manager on pension governance activities at The City, including information on the funded status of the registered defined benefit pension plans provided by The City and, if required, any plans to address unfunded pension liabilities. The PGC's Terms of Reference delineates the roles, responsibilities and limitations of the PGC. The PGC's Code of Conduct, which is reviewed and attested to annually by PGC members, establishes the ethical values to which PGC members adhere. PGC members review and attest to an annual self-assessment.	The current self-assessment document is scheduled to be updated in 2019 in relation to the Canadian Association of Pension Supervisory Authorities (CAPSA) best practices guidelines released in December, 2016. There is no legislated requirement to comply with the CAPSA document; it is a guideline only.

Principle 3: Establishes Structure, Authority, and Responsibility (Control Environment)		Contributors	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.		<div>• City Manager's Office</div> <div>• Chief Financial Officer</div> <div>• Finance</div> <div>• Human Resources</div> <div>• Information Technology</div>	Present and Functioning?	YES
<div>Points of Focus</div> <div><div>• 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.</div><div>• 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.</div><div>• 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:<div><div>– Board of Directors — Retains authority over significant decisions and reviews management’s assignments and limitations of authorities and responsibilities</div><div>– Senior Management—Establishes directives, guidance, and control to enable management and other personnel to understand and carry out their internal control responsibilities</div><div>– Management—Guides and facilitates the execution of senior management directives within the entity and its subunits</div><div>– 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</div><div>– Outsourced Service Providers—Adheres to management’s definition of the scope of authority and responsibility for all non-employees engaged</div></div></div></div>				
Controls Applicable to Principle 3				
Identification No.	Internal Control Description		Further Actions Planned	
03-001 <i>Annual Report Representations</i>	<div>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.</div> <div>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.</div>			
03-002 <i>Management Representation Letters</i>	<div>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.</div> <div>Corporate Financial Reporting has updated the MRL for items such as new accounting standards and representations around fraud, consistent with the external auditor's representation letter.</div>			
03-003 <i>Delegation of Authority</i>	<div>The City of Calgary operates under a defined delegated authority structure.</div> <div>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.</div>			
03-004 <i>Administrative Leadership Team</i>	<div>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.</div>		<div>The ALT has increased its attention to both governance and strategy with the Corporation and Council. The CMO is continuing to implement 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.</div>	
03-005 <i>Dept ID Structure</i>	<div>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.</div>		<div>To better serve our citizens, communities and customers, The City has moved from department-based plans and budgets to service-based plans and budgets for the 2019-22 business cycle. The City's Service Plans & Budgets were approved by Council in Q4 2018. As The City implements the Council-approved service-based plans and budgets, the responsibilities of Dept ID owners will not change.</div>	
03-006 <i>PeopleSoft Controls</i>	<div>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 the application within the PeopleSoft Suite that relates most directly to The City's assignment of responsibilities and authorities..</div> <div>Automated workflows and approvals are inherent within the design of the PeopleSoft HCM and Financials and Supply Chain Management (FSCM) systems.</div>			

Principle 4: Demonstrates Commitment to Competence (Control Environment)		Contributors	Management's Assessment of Internal Control Principle	
The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.		• City Manager's Office • Human Resources	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">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) <i>City Culture</i>	Refer to 01-001 and 01-002 in regards to the 4 Cs; the essential behaviours of our organization.			
04-002 <i>Recruitment Standards</i>	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 use innovative and diverse recruiting channels to attract key talent, and continue to develop recruitment and onboarding strategies to build a strong, diverse and inclusive workforce. Metrics, customer input, and other marketing tools are used to analyze how best to reach job seekers and share The City's brand. A review of the Employment Policy is underway, with a new policy expected to be approved in 2019.		
04-003 <i>Compensation Policies</i>	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.	A review of the Compensation Policy is underway, with expected amendments in 2020.		
04-004 <i>Corporate Workforce Strategies</i>	The City has instituted a Corporate Workforce Strategy to mitigate risks related to the attraction and retention of staff. The Corporate Workforce Strategy (CWS) 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.	<p>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.</p> <p>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. These strategies will continue into the next business cycle with the implementation of a new Talent Management System (TMS) to start in 2019 which includes a Learning Management System, Succession Planning and Individual performance Development modules. The sustainment of the corporate wide TMS will be supported through the CWS program.</p> <p>The City will continue to lead inclusion initiatives to engage a diverse workforce that positions the organization</p> <p>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.</p>		
04-005 (also refer to 14-004) <i>Learning & Development</i>	<p>Corporate Learning & Development (CL&D) 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.</p> <p>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.</p>	<p>Corporate Learning & Development launched The Emerging Leader Program and Leader Onboarding Program. Both programs provide resources to support new leaders understand their new role including their management responsibilities. A new learning and development framework has been approved, which will inform new employee and leadership development programs for the next business cycle. CL&D will be designing and developing new leadership programs for managers and supervisors which will be piloted in Q3 2019 with plans to implement these new programs into the next business cycle. New employee development programs are scheduled to be piloted in 2020.</p>		

04-006 <i>Mentorship</i>	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.	Mentorship activities will be embedded into the new leadership development programs to enhance the learning experience through social learning opportunities. CL&D will not be providing the student mentorship program moving forward into the new business cycle.
-----------------------------	---	---

Principle 5: Enforces Accountability (Control Environment)		Contributors	Management's Assessment of Internal Control Principle	
The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.		• Finance • Corporate Initiatives • Human Resources	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">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 <i>Planning Cycle</i>	The multi-year business plan and budget process identifies the accountabilities for achieving The City's strategies and plans. In November 2018, Council approved the One Calgary 2019-2022 Service Plans and Budgets in accordance with the multi-year approach. This approach requires services to develop plans and budgets that reflect current internal and external trends affecting The City while linking to long-term strategies and plans.	The City is beginning its next budgeting cycle, titled One Calgary which will take effect for 2019-2022. Adjustments to the 2020, 2021 and 2022 service plans and budgets will be presented to Council in November 2019. This will be followed by a more comprehensive mid-cycle adjustment for the last 2 years of the cycle in November 2020 with a check-in with Council and the Public and then a final adjustment in 2021 for the last year of the cycle.		
05-002 <i>Accountability Reports</i>	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.	A new format for accountability reports was developed in Q1 2019 and the first accountability report for the 2019-2022 cycle will go forward in September 2019. This will be followed by the 2019 year-end report in March of 2020.		
05-003 <i>Exempt Staff Performance Evaluation</i>	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.	The implementation of a corporate wide talent management system in 2019, which includes an individual performance development module, will assist with integrating the employee lifecycle and promote continuous and active employee development and growth. The new system will also encourage consistent business processes and through creation of a single repository of Performance data, we will be better able to develop, analyze and understand our talent pool.		
05-004 <i>Union Staff Performance Evaluation</i>	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 (Risk Assessment)		Contributors	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.		<div>• Finance</div> <div>• Corporate Initiatives</div> <div>• Deputy City Manager's Office</div>	<div>Present and Functioning?</div> <div>YES</div>
<div>Points of Focus</div> <div>Operations Objectives</div> <div><div>• Reflects Management's Choices—Operations objectives reflect management's choices about structure, industry considerations, and performance of the entity.</div><div>• Considers Tolerances for Risk—Management considers the acceptable levels of variation relative to the achievement of operations objectives.</div><div>• Includes Operations and Financial Performance Goals—The organization reflects the desired level of operations and financial performance for the entity within operations objectives.</div><div>• 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.</div></div> <div>External Financial Reporting Objectives</div> <div><div>• 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.</div><div>• Considers Materiality—Management considers materiality in financial statement presentation.</div><div>• Reflects Entity Activities—External reporting reflects the underlying transactions and events to show qualitative characteristics and assertions.</div></div> <div>External Non-Financial Reporting Objectives</div> <div><div>• Complies with Externally Established Standards and Frameworks—Management establishes objectives consistent with laws and regulations, or standards and frameworks of recognized external organizations.</div><div>• 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.</div><div>• Reflects Entity Activities—External reporting reflects the underlying transactions and events within a range of acceptable limits.</div></div> <div>Internal Reporting Objectives</div> <div><div>• Reflects Management's Choices—Internal reporting provides management with accurate and complete information regarding management's choices and information needed in managing the entity.</div><div>• 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.</div><div>• Reflects Entity Activities—Internal reporting reflects the underlying transactions and events within a range of acceptable limits.</div></div> <div>Compliance Objectives</div> <div><div>• Reflects External Laws and Regulations—Laws and regulations establish minimum standards of conduct which the entity integrates into compliance objectives.</div><div>• Considers Tolerances for Risk—Management considers the acceptable levels of variation relative to the achievement of compliance objectives.</div></div>			
Controls Applicable to Principle 6			
Identification No.	Internal Control Description	Further Actions Planned	
06-001 Objective Setting	The City has a structured objective setting process that flows from Citizen priorities (approved by Council) to service plans and budgets. Citizen priorities guide the development and implementation of service plans, and are reflected in the One Calgary 2019-2022 Service Plans and Budgets.	<div>Administration will continue to provide Accountability reports to Council (via PFC) twice per year, except where directed otherwise by Council.</div> <div>Annual adjustments to the service plans and budgets will also be conducted, including a mid-cycle adjustments process. Adjustments to meet the needs of Council, citizens, and management related to changes in the external environment can be made during the annual process.</div>	
06-002 Internal Innovation Support	Civic Innovation YYC works to catalyze the organization to adapt to the changing needs of our citizens. In training the organization on tools in human centered design and design thinking, the program has developed capacity for change in the organization. Linking the work of this team to One Calgary, they are supporting adaptation within service lines, challenging the ways the city has traditionally done business and working collaboratively with our partners including post secondary, industry and citizens through the service lines and programming.	The City's Civic Innovation YYC has shifted to support One Calgary and Skills and Learning related to innovation skill sets and tools which allow staff to find efficiencies and provide opportunities to test the effectiveness of their services.	

06-003 <i>Zero-Based Reviews</i>	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 December 31, 2018, ten ZBRs have been completed covering approximately 75% of The City's gross operating expenditures.	ZBRs are currently underway in Law, Supply, and the Shared Challenges of Internal Services. These ZBR's will be presented to Council in future report cycles as they are completed in 2019 and 2020 in conjunction with continued reporting on progress from the previous ten ZBR's.
06-004 <i>Long Range Planning</i>	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 (LRFP) will be maintained and revised. Finance is exploring changes to the administration of the LRFP to enhance responsiveness to business needs and anticipates that enhancements will be made over the course of the next business cycle.
06-005 <i>Capital Investment Controls</i>	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.	<p>The Corporate Governance Review is planned to be completed by the end of Q3 2019, and includes a review of the corporate governance model for capital groups across the organization.</p> <p>Infrastructure Calgary will continue to support capital investment stakeholders through timely, accessible, transparent access to investment information at a corporate portfolio level through monthly reporting, One Calgary accountability reporting on capital, and will conduct a capital investment reporting review and recommendations to streamline/avoid duplication in reporting efforts.</p>
06-006 <i>Municipal Government Act Financial Information Reporting</i>	<p>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.</p> <p>The consolidated financial statements of The City are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS").</p>	The 2018 Annual Report will be presented to Audit Committee in April 2019.

Principle 7: Identifies and Analyzes Risk (Risk Assessment)		Contributors	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.		<ul style="list-style-type: none">• City Manager's Office• Chief Financial Officer• Corporate Initiatives<ul style="list-style-type: none">• Law• Environmental & Safety Management• Deputy City Manager's Office	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">• 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 <i>Integrated Risk Management Policy</i>	<p>Council's Integrated Risk Management Policy (CC011) reflects the importance of risk tolerance in managing risk. City Administration has developed risk appetite statements for the Principal Corporate Risks. These statements will serve as guidelines to direct the organization in its assessment and management of risks.</p> <p>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. Two reports are provided to the Audit Committee annually - one in January that focuses on The City's Principle Corporate Risks and one in July that focuses on the IRM Model and Framework.</p> <p>The Executive Leadership service line is responsible for the 16 Principal Corporate Risks with members of the Administrative Leadership Team as risk owners. The City Manager will continue to present the Annual Principal Corporate Risk Report to the Audit Committee. Executive Leadership will continue to develop The City's Risk Management program by developing risk appetite and tolerance statements for the Principal Corporate Risks.</p>			
07-002 <i>Integrated Risk Management Education Support</i>	<p>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.</p> <p>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.</p> <p>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.</p>	Materials, guidelines, tools and resources are being updated to reflect continuous improvement to the Integrated Risk Management (IRM) Program and in support of risk management practices. The IRM City-Specific course is being updated to be available on-line for more timely access to training and information for all employees.		

07-003 <i>Risk Registers</i>	<p>Risk management was embedded into the 2015-2018 Action Plan with risks to the business plans identified.</p> <p>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.</p> <p>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.</p> <p>ALT holds twice-yearly discussions on risk. Similarly, department management teams hold twice-yearly discussions on risk, at a minimum.</p>	
07-004 <i>Corporate Issues Management</i>	<p>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.</p>	
07-005 <i>Risk Reporting - By Department</i>	<p>The IRM model and framework have been designed using current CSA/ISO Standards and continue to reflect best practice.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Environmental & Safety Management (ESM) communicates corporate environmental and safety risks to Corporate Initiatives twice per year through the IRM process. ESM also provides a semi-annual Corporate Environmental, Health & Safety (EHS) Report to the Administrative Leadership Team (ALT) and Utilities & Corporate Services (UCS) Committee.</p>	
07-006 <i>Climate Change Risk Management</i>	<p>Environmental & Safety Management (ESM) provides safety and environmental oversight and manages and mitigates safety and environmental risk through policies, practices, guidance, governance, systems (SDMS) and expertise.</p> <p>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.</p>	<p>Scheduled for 2019 the Certificate of Recognition (COR) Audit will be completed across the corporation. This occurs every three years. In addition we will continue supporting the corporation related to safety initiatives, including work related to SDMS and ISO14000.</p> <p>The City has committed to implement 132 actions related to the climate change program over the 2019-2022 period as part of One Calgary.</p>
07-007 <i>Infrastructure Condition Risk Management</i>	<p>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.</p> <p>An Infrastructure Status Report is prepared on a 4 year cycle in alignment with business planning and budgeting processes.</p>	<p>The 2017 Infrastructure Status Report was presented to Council in Q1 2018. Admin working with Infrastructure Calgary to develop 2019-22 Workplan including format and timing of future reports.</p>

Principle 8: Assesses Fraud Risk (Risk Assessment)		Contributors	Management's Assessment of Internal Control Principle	
The organization considers the potential for fraud in assessing risks to the achievement of objectives.		<div>• Chief Financial Officer</div> <div>• City Auditor's Office</div> <div>• Finance</div> <div>• Supply Management</div> <div>• Corporate Security</div>	Present and Functioning?	YES
Points of Focus <div><div>• Considers Various Types of Fraud</div>—The assessment of fraud considers fraudulent reporting, possible loss of assets, and corruption resulting from the various ways that fraud and misconduct can occur.</div> <div><div>• Assesses Incentive and Pressures</div>—The assessment of fraud risk considers incentives and pressures.</div> <div><div>• Assesses Opportunities</div>—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.</div> <div><div>• Assesses Attitudes and Rationalizations</div>—The assessment of fraud risk considers how management and other personnel might engage in or justify inappropriate actions.</div>				
Controls Applicable to Principle 8				
Identification No.	Internal control description		Further Actions Planned	
08-001 <i>Risk Ownership</i>	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 <i>City Auditor's Office - Audit Function</i>	The City Auditor's Office performs audits, as identified in the Audit 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". An External Assessment to independently validate that conformance is maintained, as prescribed by the IIA, is conducted at least every five years. The last External Assessment was completed in 2017, with confirmation of conformance.			
08-003 <i>Whistle-blower Program Reporting</i>	Council Policy CC026 includes the requirement for the City Auditor to report, at least on an annual basis, information related to reports received and investigations conducted during the year to Council through Audit Committee.			
08-004 <i>Fiscal Year-end Fraud Reporting</i>	As part of the year-end audit process, there are two formal activities for identification of fraud risk utilizing documentation and set inquiries. The first is an enquiry made by the external auditor to senior management with the response confidentially returned to the external auditor. The second is through the Management Representation Letter process where the Chief Security Officer coordinates actual, alleged or suspected fraud instances which are reviewed by business unit management and are presented to the Chief Financial Officer and City Manager. According to the latest assessment, the risk of material misstatement due to fraud is considered low.			
08-005 <i>Supply Management Fraud Controls</i>	<div>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 Irregularity Process is in place to recognize and escalate procurement activities of concern.</div> <div>On the inventory management function, Supply Management has implemented a systematic process for cycle counting all corporate inventory items at least once a year.</div>		Supply Management is actively working on the development of a new Procurement Policy, which includes the procurement irregularity process as well as a comprehensive roles and responsibilities section.	
08-006 <i>Corporate Credit Card</i>	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.		<div>Accounts Payable has introduced a new online corporate credit card management tool and is exploring additional functionality and reporting capability within the tool to further enhance the operation of the Corporate Credit Card program. Risk mitigation will be a primary consideration in any potential changes to functionality.</div> <div>The corporate credit card process was audited in 2017. Accounts Payable has completed most recommendations and is in the process of responding to the remainder, with anticipated completion of outstanding recommendations by 2019 April 30.</div>	

08-007 <i>Corporate Security Systems</i>	<p>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.</p> <p>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.</p> <p>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.</p>	Please refer to Attachment 3.
08-008 <i>Fraud Detection</i>	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 <i>Incidents and Investigations</i>	<p>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.</p> <p>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.</p> <p>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.</p>	Please refer to Attachment 3.
08-010 <i>Criminal Checks and Vendor Due Diligence</i>	<p>Corporate Security conducts police criminal checks on potential employees in the pre-hiring stage for positions identified by the business units and Human Resources.</p> <p>Comprehensive vendor due diligence investigations are carried out by Corporate Security when directed by Supply or other business units.</p> <p>Corporate Security conducts police criminal checks (or receives confirmation from third party vendors) on individual contractors.</p>	<p>Corporate Security is exploring a formalized Employee / Contractor Security Clearance and Due Diligence Program by Q3 2019 for employees and contractors and by Q4 2019 for vendors.</p> <p>Please also refer to Attachment 3.</p>

Principle 9: Identifies and Analyzes Significant Change (Risk Assessment)		Contributors	Management's Assessment of Internal Control Principle	
The organization identifies and assesses changes that could significantly impact the system of internal control.		<div>• Deputy City Manager's Office</div> <div>• Finance</div> <div>• Corporate Initiatives</div> <div>• Law</div>	Present and Functioning?	YES
Points of Focus <div><div>Assesses Changes in the External Environment</div>—The risk identification process considers changes to the regulatory, economic, and physical environment in which the entity operates.</div> <div><div>Assesses Changes in the Business Model</div>—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.</div> <div><div>Assesses Changes in Leadership</div>—The organization considers changes in management and respective attitudes and philosophies on the system of internal control.</div>				
Controls Applicable to Principle 9				
Identification No.	Internal Control Description	Further Actions Planned		
09-001 <i>Annual Budget Adjustments</i>	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 take place in 2019, for the 2020 year budget and is anticipated to be more in-depth than a typical adjustment in the first year of a cycle, in response to Council's direction during budget deliberations.		
09-002 <i>External Financial Reporting Standards</i>	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 continue to incorporate any new and amended accounting standards as they become effective.		
09-003 <i>Economic Forecasting</i>	As a part of the Chief Financial Officer's Department, Corporate Economics and Regulatory Affairs section assists 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 analysis of economic trends and generation of forecast estimates, the section identifies potential barriers or developments that could become challenges, for Calgarians or the Corporation, and then alerts Council and Administration.			
09-004 <i>Regulatory Representation</i>	<div>The Corporate Economics and Regulatory Affairs (CERA) section represents the interests of The City before regulatory agencies such as the Alberta Utilities Commission (AUC) and the Canadian Radio-television and Telecommunications Commission (CRTC). The Gas, Power & Telecommunications (GPT) Committee provides oversight of the activities of the CERA section.</div> <div>Law provides legal advice to the CERA section and GPT committee on an as-requested basis, including about regulatory issues involving or before the CRTC. CERA also consults with external counsel on regulatory issues at the Alberta Utilities Commission. CERA works with other stakeholders in development of Provincial Regulatory Policies.</div>			
09-005 <i>Legal Issues and Claims</i>	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 are participating in Law's Zero-Based Review. Law will be responsive to potential recommendations that may emerge over the course of the ZBR.		
09-006 <i>Integrated Risk Management Review</i>	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 <i>External Policy and Legislation</i>	<p>Intergovernmental & Corporate Strategy's (ICS) is a legislative tracking function that identifies significant changes to policy and legislation that will have impacts on The City and attempts to mitigate risk by coordinating corporate responses to consultations with other orders of government.</p>	<p>City Charter powers retroactively came into force on January 1, 2018. New charter powers were posted on November 29, 2018. ICS will continue to work with the corporation to ensure readiness and awareness of new legislation and policy direction from other orders of government.</p> <p>Corporate Project and Asset Management (CPAM) will work in conjunction with ICS in Q1 & Q2 2019 to identify any impacts of new legislative requirements on The City's MGA section 534 reporting process, which requires municipalities to contact adjacent land-owners upon the completion of projects.</p>
--	---	--

CONTROL ACTIVITIES			
Principle 10: Selects and Develops Control Activities (Control Activities)		Contributors	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.		<div>• Chief Financial Officer</div> <div>• Finance</div> <div>• Supply Management</div>	<div>Present and Functioning?</div> <div>YES</div>
<div>Points of Focus</div> <div><div>• Integrates with Risk Assessment—Control activities help ensure that risk responses that address and mitigate risks are carried out.</div><div>• 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.</div><div>• Determines Relevant Business Processes—Management determines which relevant business processes require control activities.</div><div>• 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.</div><div>• Considers at What Level Activities Are Applied—Management considers control activities at various levels in the entity.</div><div>• Addresses Segregation of Duties—Management segregates incompatible duties, and where such segregation is not practical management selects and develops alternative control activities.</div></div>			
Controls Applicable to Principle 10			
Identification No.	Internal Control Description	Further Actions Planned	
10-001 <i>Financial Reporting Controls</i>	<div>Finance oversees the control activities that maintain the reliability and integrity of the financial reporting process.</div> <div>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.</div> <div>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.</div>	Starting in fiscal year 2019, to improve completeness and ensure appropriate funding is applied to capital projects within each fiscal year, a new annual capital financing summary report will be completed by each department. This report will be reviewed by the applicable Finance Manager's and City Treasurer.	
10-002 <i>Integrated Risk Management Controls</i>	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.	As part of continuous improvement, an updated risk matrix (from a 3x3 matrix to a 5x5) will be implemented; this will improve granularity of data and assist in prioritizing risks.	
10-003 <i>PeopleSoft Finance & Supply Chain Management Controls</i>	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.		
10-004 <i>Investment and Cash Management Controls</i>	<div>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.</div> <div>The Investment Advisory Committee provides investment and risk management oversight to ensure compliance with the Investment Policy (CFO07) and legislation.</div>	<div>A new treasury management system is in the process of being implemented. The current system and new system will be run concurrently until the transition is completed. Full implementation is targeted to be complete by the end of Q2 2019.</div> <div>The 2018 Annual Investment Report will be presented to the Audit Committee in April 2019.</div>	

10-005 <i>Reserves Reporting</i>	<p>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.</p> <p>Reserves are reviewed on a triennial basis. The main purpose of the review is to ensure that:</p> <ul style="list-style-type: none"> • 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. <p>The 2018 Triennial Reserves Review Report was presented to the Priorities and Finance Committee (PFC) in November 2018.</p>	
10-006 <i>TCA Process and Controls</i>	<p>The City's tangible capital assets (TCA) are reported in accordance with section 3150 of the Public Sector Accounting Standards.</p> <p>In 2017, TCA program established a centralized TCA Reporting Team to sustain current and past TCA initiatives and to prepare information for TCA reporting purposes with consultation from business units and Strategic Finance.</p> <p>Finance is responsible for signing-off on the recording of TCA as part of control 10-001.</p>	<p>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), Land (2017), Land Improvements (2017) and Vehicles (2018).</p> <p>Further progress to deliver simplified, compliant, and consistent policies and processes will occur in 2019, such as:</p> <ul style="list-style-type: none"> • Refinement of internal processes to allow for proactive identification of TCA; • Land reconciliation between PSAM and LinDA • Increased functionality of the PeopleSoft Costing Module and PSAM used to track and report on assets. • Development of training materials and process documentation. <p>The TCA reporting team continues to review and improve its business processes.</p>
10-007 <i>Payment Card Industry Standards</i>	<p>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.</p>	<p>Secure Credit Card handling eLearning will continue to be made available to all employees.</p> <p>PCI compliance internal audits will be undertaken with business units that handle credit card processing and information.</p> <p>An audit is undertaken each year by a third party external PCI auditor retained by The City. The City passed its 2018 audit and received compliance certification in November 2018. Continued updating of hardware, software and business and technical documentation will maintain compliance.</p>
10-008 <i>Corporate Credit Card</i>	<p>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.</p> <p>The implementation of new online card management tools has created additional opportunities for communication and training. Finance continuously communicates to cardholders, including messaging regarding the responsibilities of those approving expense on behalf of The City.</p>	<p>The Corporate Credit Card Policy, supporting procedures, processes and training will continue to be updated as required.</p>
10-009 <i>Tax Compliance</i>	<p>The Corporate Tax section of Finance is responsible for overall compliance and interpretation in the area of taxation and provides internal consulting for interpretations, rulings, audits and appeals.</p> <p>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.</p>	<p>The Canada Revenue Agency completed an audit of The City's GST remittances in 2018.</p>
10-010 <i>P3 Project Analysis</i>	<p>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).</p> <p>The Council Policy (CFO-011) provides a framework for a consistent approach for the identification of potential P3 opportunities, evaluation of P3 opportunities; decision-making and procurement processes related to P3s. 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.</p>	<p>The P3 Council Policy (CFO-011) and the Administration Policy (FA-052) are currently under review and will be updated in 2019.</p>
10-011 <i>Accounts Payable Processes</i>	<p>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.</p>	<p>The Accounts Payable Transactions and Payments Policy (FA-010) will be reviewed in 2019.</p>

Principle 11: Selects and Develops General Controls over Technology (Control Activities)		Contributors	Management's Assessment of Internal Control Principle	
The organization selects and develops general control activities over technology to support the achievement of objectives.		• Information Technology • Corporate Security	Present and Functioning?	YES
Points of Focus				
<ul style="list-style-type: none">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 <i>IT Organizational Structure</i>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		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.	
11-002 <i>IT Business Continuity & Resiliency Planning</i>	<p>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. As part of the Service Resiliency project, 95% of business essential applications are now in the resiliency environment, enabling the applications to re-start at a second site if the primary site experiences a facility failure.</p> <p>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.</p> <p>IT plans, designs, implements, and maintains resiliency in key parts of The City's technology infrastructure to reduce single points of failure.</p> <p>As part of continuous improvement, IT continues to mature 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.</p>		<p>IT will be implementing a Proactive Application Monitoring tool for a subset of applications in 2019. The proof of concept will be complete and a yes/no decision is expected at the end of Q1 2019. The target for implementation is the end of Q2 2019.</p> <p>The IT Management Team will be reviewing the IT business continuity plan in Q2 2019.</p>	
11-003 <i>Acceptable Use Policy</i>	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 <i>Technology Development and Maintenance</i>	<p>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). All technology procurement follows standard Supply Management Administration Procurement policies.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Maintenance & Sustainment of systems is prioritized with the business and managed by IT's Application Portfolio Management (APM) practices.</p> <p>IT has an inventory for software and an asset management program for hardware, based on industry best practices and enterprise asset management.</p>	<p>The next version of The City's service / asset management tool will help improve asset inventory capabilities. The estimated timeline for this initiative is Q3 2019.</p> <p>IT will be revising the Technology Procurement process by the end of Q3 2019.</p>
11-005 <i>Information Security</i>	<p>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.</p> <p>Corporate Security has implemented an Information Security program including Compliance & Architecture, Security Operations and Incident Response Sections.</p> <p>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.</p>	<p>IT and Corporate Security will continue reviewing the IT project intake process as part of their Zero-Based Reviews. This review will extend throughout 2019.</p> <p>Corporate Security has implemented an Incident Response program, and has established its IT Security Operations Centre. The Compliance and Advisory Services team within the Cyber Security department conducts risk assessments of new and ongoing IT projects, including reviews of architecture and compliance to applicable legislative and regulatory compliance (i.e. FOIP and PCI).</p> <p>These processes will continue to develop and change based on threat vectors that could potentially impact The City of Calgary's IT ecosystem.</p> <p>Please refer to Attachment 3.</p>
11-006 <i>Network Security</i>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Corporate Security continues to assess the risks facing its IT ecosystem. As part of the ongoing reviews of our current controls, Corporate Security's Cyber Security team is working with Information Technology to identify areas where our existing security tools can continually assess compliance. As Corporate Security implements new technologies, the capability to conduct ongoing/iterative risk assessments can be realized. This activity is planned for Q4 2019.</p> <p>Corporate Security has implemented a Security Information and Event Monitoring (SIEM) platform, and is in the process of upgrading the solution to the latest release, and expanding its functionality to include end point protection. The upgrade is scheduled for Q4 2019, and the expansion to endpoints across the IT ecosystem will continue past 2019.</p> <p>Corporate Security has developed an Incident Response process, and is now expanding the Incident Response procedures to incorporate Access, Privacy and Policy as well as Information Technology. The goal of this expanded process is to create one holistic approach to Incident Management. The target for this activity is Q4 2019, and will align with industry best practices (Incident Command System, or ICS).</p> <p>Please refer to Attachment 3.</p>
11-007 <i>Employee Access Rights</i>	<p>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.</p> <p>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.</p>	<p>Corporate Security continues to work with Information Technology to identify issues facing the Active Directory structure, as well as the provisioning of access rights to information resources. This activity is predicated on the ability of IT to provide resources to review the Active Directory schema, and incorporate access requirements to cloud based infrastructure. This activity is ongoing, and will require Q4 2019 or beyond to address the requirements.</p> <p>Please refer to Attachment 3.</p>

Principle 12: Deploys through Policies and Procedures (Control Activities)		Contributors	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.		<ul style="list-style-type: none">• City Manager's Office<ul style="list-style-type: none">• Finance• Supply Management<ul style="list-style-type: none">• City Clerk's Office• Deputy City Manager's Office	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">• 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 <i>Administration Policies</i>	<p>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.</p> <p>Policies continue to be updated and created to support the control environment and guide staff actions. Administrative policies are centralized in the Administration Policy Library, allowing easy access to those policies.</p>	As The City has moved to service-based plans and budgets, the Corporate Governance service line will be responsible for the corporate oversight of administrative policies moving forward under the purview of the Deputy City Manager; the CMO will work with the Corporate Governance service line to coordinate the effort to update all Administration policies across the Corporation and to 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.		
12-002 <i>Procurement Policies</i>	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 the 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 <i>Council Policies</i>	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.	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 continue to deliver Council Policy Sessions for policy owners through 2019 to educate them about the Council Policy Framework and facilitate the review process.		
12-004 <i>Project Management</i>	<p>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.</p> <p>The City maintains a Naming, Sponsorship & Naming Rights Policy, which assigns stewardship and facilitation roles to the Deputy City Manager's Office to ensure consistency in standards and practices and provide a fair, transparent process.</p>			

INFORMATION AND COMMUNICATION			
Principle 13: Uses Relevant Information (Information and Communication)		Contributors	Management's Assessment of Internal Control Principle
The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.		• Finance • City Clerk's Office • Information Technology	<div>Present and Functioning?</div> <div>YES</div>
<div>Points of Focus</div> <div><div>Identifies Information Requirements</div><div>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.</div></div> <div><div>Captures Internal and External Sources of Data</div><div>Information systems capture internal and external sources of data.</div></div> <div><div>Processes Relevant Data into Information</div><div>Information systems process and transform relevant data into information.</div></div> <div><div>Maintains Quality throughout Processing</div><div>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.</div></div> <div><div>Considers Costs and Benefits</div><div>The nature, quantity, and precision of information communicated are commensurate with and support the achievement of objectives.</div></div>			
Controls Applicable to Principle 13			
Identification No.	Internal Control Description	Further Actions Planned	
13-001 <i>Financial Reporting</i>	The City has a structured and regular method of reporting financial information that provides Council, through the Audit Committee, Priorities and Finance Committee, Pension Governance Committee, and other committees, 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.	Corporate Budget Office will ensure that the new budget reports prepared by Finance that Council and Management receive are tailored to reconcile between the existing organizational structure and Service based budgeting reporting.	
13-002 <i>Enterprise Resource Planning Software Functionality</i>	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 implementation of the Hyperion Planning and Budgeting system is underway, with completion of the capital and operating budgeting modules anticipated by Q2 2019. The system will support planning and budgeting processes to be used to maintain reporting throughout the 2019-2022 four year budget.	
13-003 <i>Records Management</i>	<div>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.</div> <div>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.</div>		
13-004 <i>Information Management</i>	<div>The Information Management & Security 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.</div> <div>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.</div>	<div>IT, City Clerks, and Corporate Security are continuously working together to improve processes for information management and records management. Additional strategic discussions are planned for 2019.</div> <div>The City's Content Server will be upgraded to improve supportability and security. The project is underway and is expected to be completed in Q3 2019.</div> <div>The City Clerk's Office is working on developing processes for the disposition for both physical and electronic records, which are expected to be ready in Q3 2019 alongside the Content Server upgrade.</div>	

Principle 14: Communicates Internally (Information and Communication)		Contributors	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.		<ul style="list-style-type: none">• Customer Services & Communications• City Manager's Office• City Auditor's Office• Human Resources• Finance	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">• 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 <i>City Intranet</i>	<p>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.</p> <p>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.</p> <p>A myCity 2.0 project was launched in Q3 2018, which provides access to the City intranet for all employees, including mobile and field staff. It also has the potential to serve targeted content to employees based on their unique context, such as their business unit.</p>	Customer Service & Communications will continue, throughout 2019, to investigate the functionality of the platform that myCity runs onto serve online information and tools targeted to employees based on their unique context, such as their business unit.		
14-002 <i>myCity and Calgary.ca</i>	The 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) <i>Whistle-Blower Program</i>	<p>The City has a Whistle-blower Policy and a corresponding Whistle-Blower Program, where employees and citizens can report waste and/or wrongdoing confidentially and can choose to report anonymously if desired.</p> <p>Information on the program can be found on The City's website.</p>			
14-004 (also refer to 04-005) <i>Learning and Development</i>	<p>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.</p> <p>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.</p>	The Emerging Leader Program was successfully piloted in 2018 and launched corporate-wide with ongoing cohorts in Q3 of 2018 and into the next business cycle. Corporate Learning & Development launched The Emerging Leader Program and Leader Onboarding Program. Both programs provide resources to support new leaders understand their new role including their management responsibilities. A new learning and development framework has been approved which will inform new employee and leadership development programs for the next business cycle. CL&D will be designing and developing new leadership programs for managers and supervisors which will be piloted in Q3 2019 with plans to implement these new programs into the next business cycle. New employee development programs are scheduled to be piloted in 2020.		
14-005 <i>Employee Orientation</i>	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.		

Principle 15: Communicates Externally (Information and Communication)		Contributors	Management's Assessment of Internal Control Principle	
The organization communicates with external parties regarding matters affecting the functioning of internal control.		<ul style="list-style-type: none">• Customer Services & Communications<ul style="list-style-type: none">• Office of the Councillors• City Auditor's Office• City Clerk's Office• Deputy City Manager's Office	Present and Functioning?	YES
Points of Focus <ul style="list-style-type: none">• 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 <i>Public Council Meetings</i>	<p>Council engages the public through public hearings and deliberations. The new One Calgary budget was presented to Council in November 2018. 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) provides an engagement framework and tools to enable the organization to gather the input of citizens and other external stakeholders, summarize that information, and present that information through <i>What We Heard reports</i> made available upon the completion of projects.</p> <p>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.</p>	<p>In 2019, Customer Service & Communications will begin work to update the Council Engage Policy which could have impacts on specific requirements for engagement.</p> <p>The City Clerk's Office is exploring expanding the online archived contents of Committee meetings to include a larger number of legislative meeting videos.</p>		
15-002 (also refer to 14-003) <i>Whistle-Blower Program</i>	Refer to 14-003 in regards to the Whistle-blower Program's functionality for citizens. Whistle-blower investigations resulting in recommendations and/or corrective action are summarized and posted to the City Auditor's Office public website.			
15-003 <i>Communication with Members of Council</i>	<p>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.</p> <p>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.</p> <p>The Integrity and Ethics Office (the "Ethics Office") maintains a public website on calgary.ca, which provides Calgarians with an overview of what the Ethics Office is responsible for; explanation of the roles and responsibilities of the Integrity Commissioner and Ethics Advisor; biographies for both appointees; and information on how complaints can be filed, to name a few. The Ethics Office provided its Annual Report to Council during the Regular Meeting on June 25, 2018 for Council's information.</p> <p>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.</p>	Customer Service & Communications (CSC) launched new websites for the Mayor and Ward Offices in 2018. Throughout 2019, CSC will monitor and improve these based on user needs and feedback. The sites allow for better communication and engagement with citizens, are easier for Mayor/Ward offices to maintain, and can be integrated in the new Calgary.ca platform (scheduled for 2020).		
15-004 <i>3-1-1 Call Centre</i>	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.	In 2019 Customer Service & Communications (CSC) will upgrade the 311 software, deploy more services on the 311 Calgary App, deploy a new online appointment booking system for city services, partner with the City Clerk's Office to support the Civic Census, offer a new credit card handling process over the phone, and optimize 311 reporting. Throughout 2018, CSC has deployed enhanced modules for speech analytics, and expect 92 categories to be validated by the end of 2019. A quality assurance program to measure and improve the overall customer experience should be in place by Q4 2019. The call-back option to minimize wait-times and improve service targets originally expected to be delivered in 2018 is planned for a 2019 delivery.		

15-005 <i>Calgary.ca External Website</i>	The City's external website, calgary.ca, is the primary communications tool for connecting with the public. As the vast majority of Calgary's general population has internet access to the internet, The City's internet presence allows citizens to quickly and efficiently retrieve data on matters of municipal importance. The calgary.ca website received over 24 million visits and nearly 90 million page views in 2018.	Customer Service & Communications is currently working on a Calgary.ca 3.0 program to migrate the current external website to a new Content Management System (CMS) platform prior to the expiration of our software license in 2020. Considerations include meeting the expectations of citizens, aligning with service-based delivery and our internal client needs, and using the additional functionality available to improve the user's ability to find information and complete tasks online.
15-006 <i>Freedom of Information and Protection of Privacy</i>	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 2019, the City Clerk's Office will provide semi-annual proactive disclosure of FOIP statistical information on calgary.ca.
15-007 <i>Government Consultation</i>	Intergovernmental & Corporate Strategy (ICS) coordinates the participation in consultations with other orders of government for legislative and policy changes.	

MONITORING ACTIVITIES			
Principle 16: Conducts Ongoing and/or Separate Evaluations (Monitoring Activities)		Contributors	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.		<div>• Finance</div> <div>• Corporate Initiatives</div> <div>• City Auditor's Office</div> <div>• Supply Management</div>	<div>Present and Functioning?</div> <div>YES</div>
<div>Points of Focus</div> <div><div>• Considers a Mix of Ongoing and Separate Evaluations—Management includes a balance of ongoing and separate evaluations.</div><div>• Considers Rate of Change—Management considers the rate of change in business and business processes when selecting and developing ongoing and separate evaluations.</div><div>• Establishes Baseline Understanding—The design and current state of an internal control system are used to establish a baseline for ongoing and separate evaluations.</div><div>• Uses Knowledgeable Personnel—Evaluators performing ongoing and separate evaluations have sufficient knowledge to understand what is being evaluated.</div><div>• Integrates with Business Processes—Ongoing evaluations are built into the business processes and adjust to changing conditions.</div><div>• Adjusts Scope and Frequency—Management varies the scope and frequency of separate evaluations depending on risk.</div><div>• Objectively Evaluates—Separate evaluations are performed periodically to provide objective feedback.</div></div>			
Controls Applicable to Principle 16			
Identification No.	Internal Control Description	Further Actions Planned	
16-001 <i>General Finance Oversight</i>	Finance oversees the control activities that maintain the reliability and integrity of the financial reporting process.		
16-002 <i>Control Environment Report</i>	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.	The City Auditor's Office produced three recommendations for the improvement of the Control Environment Assessment Report. These recommendations were approved on February 28, 2019. Administration has created action plans to implement these recommendations, and, following consultation with the members of the Audit Committee, will implement them over the course of 2019 and 2020.	
16-003 <i>Regular Financial Reviews</i>	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 (with the exception of the 2018 year-end) 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 <i>Supply Management Reviews</i>	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).		
16-005 <i>City Auditor's Office</i>	The City Auditor's Office, which is fully independent of Administration and reports directly to the Audit Committee, conducts risk-based audits of areas of The City's operations as identified in the Audit 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 <i>External Audits</i>	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 <i>Third Party Audits</i>	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 <i>Periodic Financial Reporting Cycles</i>	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.		

Principle 17: Evaluates and Communicates Deficiencies (Monitoring Activities)		Contributors	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.		<div><div>• City Manager's Office</div><div>• City Auditor's Office</div><div>• Finance</div></div>	Present and Functioning?	YES
Points of Focus <div><div>• Assesses Results—Management and the board of directors, as appropriate, assess results of ongoing and separate evaluations.</div><div>• Communicates Deficiencies—Deficiencies are communicated to parties responsible for taking corrective action and to senior management and the board of directors, as appropriate.</div><div>• Monitors Corrective Actions—Management tracks whether deficiencies are remediated on a timely basis.</div></div>				
Controls Applicable to Principle 17				
Identification No.	Internal Control Description	Further Actions Planned		
17-001 <i>City Auditor's Office Findings</i>	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 <i>Management Letter Points</i>	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 <i>Whistle-Blower Program</i>	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.			