

City Auditor's Office Revised 2020 Audit Plan

EXECUTIVE SUMMARY

This report provides the City Auditor's Office (CAO) Revised 2020 Audit Plan for Audit Committee's approval. The Revised 2020 Audit Plan consists of seven audits (and an additional five audits initiated in 2019), representing operational, IT, and formal follow-up audits determined using a defined risk-based approach. The 2020 Audit Plan is a critical deliverable provided by the CAO to ensure audit resources are directed to the most significant areas of The City of Calgary (The City) to support our audit mission to add value and enhance public trust.

RECOMMENDATIONS:

That Audit Committee:

1. Approve the City Auditor's Office Revised 2020 Audit Plan and forward to Council for information; and
2. Recommend that Council receive the City Auditor's Office Revised 2020 Audit Plan, AC2019-1243.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2019 OCTOBER 24:

That Council receive Report AC2019-1243, City Auditor's Office Revised 2020 Audit Plan, for the Corporate Record in accordance with Bylaw 48M2012, Schedule C, Section 1.

PREVIOUS COUNCIL DIRECTION / POLICY

Schedule C of Bylaw 48M2012 states that Audit Committee "reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee or Council may not remove items from the City Auditor's work plan but may direct items be added to the plan". Schedule C of Bylaw 48M2012 also states that the City Auditor "must formally present the annual audit work plan to Council for information."

Audit Committee approved the City Auditor's Office 2019-2020 Audit Plan (AC2018-0998) on September 18, 2018, and the Plan was formally presented to Council for information on October 15, 2018.

The City Auditor presented the CAO's Revised Annual Audit Plan Approach (AC2019-0899) to Audit Committee on July 23, 2019.

BACKGROUND

The CAO's mission is to provide independent and objective assurance, advisory and investigative services to add value to The City and enhance public trust. The CAO Charter (AC2016-0247 Attachment 2) states that the City Auditor is responsible for assisting Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement of value for money in City operations. The CAO carries out this responsibility through the completion of an Audit Plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The CAO aligns the Audit Plan development to the Four Year – One Calgary Budget Cycle, resulting in an Audit Plan which is presented to Audit Committee for approval and to Council for information. The revised 2020 Audit Plan reflects a deeper understanding of the resource

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commitment to effectively conduct the selected risk based audits gained through further internal evaluation and discussions with Administration on current strategies. The adjustments on quantity of audits to be completed also provides capacity to deliver on internal efficiency initiatives to enhance our resilience, responsiveness, and effectiveness in providing risk reduction recommendations and cost effective solutions.

Stakeholder Engagement, Research and Communication

The CAO reached out to members of Administration impacted by the seven re-prioritized audits planned for 2020 to define and confirm scope and timing of audits.

Strategic Alignment

The CAO's annual audit planning process ensures that audit resources are focused on areas of significant risk and value to The City. The Audit Plan is aligned to support all five Citizen Priorities, which in turn supports the Citizen Priority of A Well-Run City.

Social, Environmental, Economic (External)

N/A

Financial Capacity

N/A

Current and Future Operating Budget

The City Auditor's Office Revised 2020 Audit Plan is based on the CAO's current budget and retention of existing staff positions.

Current and Future Capital Budget

N/A

Risk Assessment

The activities of the CAO serve to promote accountability, mitigate risk, and support an effective governance structure. The CAO conforms to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, which states the plan of audit engagements must be based on a documented risk assessment, undertaken at least annually, and must consider the input of key stakeholders.

REASON FOR RECOMMENDATIONS:

Bylaw 48M2012 states that Audit Committee reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee, or Council, may not remove items from the City Auditor's work plan but may direct items to be added to the plan.

ATTACHMENT

City Auditor's Office Revised 2020 Audit Plan - AC2019-1243 ATT