

**Audit Resource Management Report to
Audit Committee
2020 January 24**

**ISC: UNRESTRICTED
AC2020-0079**

Audit Committee 2020 Work Plan

EXECUTIVE SUMMARY

This Report seeks approval for the portion of the Audit Committee's 2020 Work Plan (Work Plan) reflecting Agenda items to be presented for meetings to be held from 2020 February through to year end. The Revised 2020 Interim Work Plan (Interim Plan) for the month of January only was approved at the 2019 December 06 Audit Committee Meeting and that previously approved portion has been consolidated onto the Work Plan for clarity.

ADMINISTRATION RECOMMENDATION:

That the Audit Committee:

1. Approves that portion of the Audit Committee's 2020 Work Plan (Attachment 1) for meetings scheduled from 2020 February through December; and
2. Recommends that Council receive this Report and Attachments for Information and the Corporate Record in accordance with Bylaw 48M2012, Schedule A, Section 1(k).

RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 JANUARY 24:

That Council receive this Report and Attachments for the Corporate Record in accordance with Bylaw 48M2012, Schedule A, Section 1(k).

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012, as amended, states that Audit Committee:
Schedule A

- 1 k) develops a detailed annual work plan which is forwarded to Council for information.

BACKGROUND

The Audit Committee 2020 Work Plan (Attachment 1) is intended to be a guide for Audit Committee activities for the meetings to be held from 2020 February through to year end.

Audit Committee approved the Revised 2020 Interim Work Plan (Attachment 2) for the month of 2020 January at the 2019 December 6 Meeting (AC2019-1541). The Interim Plan provided Administration, the City Auditor and the External Auditor with the expectations for items to be presented on the January 2020 Agenda. For ease of use the Interim Plan has been consolidated into the 2020 Work Plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Audit Committee established a Strategic Working Group (SWG) in 2019 to perform a strategic review of their mandate. The SWG focused on understanding how Audit Committee can provide more value to Council, to support effective decision-making. Members expressed their desire to concentrate on areas with significant risk or financial impact rather than on routine reports or areas that Administration have shown to have good controls in place.

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On 2020 December 2, the SWG met for discussions on what Audit Committee's significant priorities for 2020 should be. These priorities were added to the Work Plan for 2020, while items of a routine nature were removed or are planned to be streamlined in future. This major change in the Work Plan provides Audit Committee with more capacity to focus on areas of significant risk and financial impact. Each item on the Work Plan contains a notation indicating whether it is a new, modified or unchanged report. Also of interest, the Work Plan contains an update at the 2020 February 13 meeting from representatives of the Strategic Working Group.

Some Interim Plan items approved at the 2019 December 6 meeting have subsequently been deferred to the 2020 February meeting.

The City Auditor provided the Audit Committee with the City Auditor's Office Revised 2020 Audit Plan, AC2019-1243 at the 2019 October 24 meeting. The City Auditor's Office audit reports will be added throughout the year to the Work Plan (which also includes the Interim Plan).

Every Closed Meeting contains several verbal reports which allow members of the Audit Committee, the External Auditor, City Auditor and Chief Financial Officer with the opportunity to discuss confidential issues protected under the *Freedom of Information and Protection of Privacy Act*. These Closed Meetings are considered a best practice for Audit Committees.

Reports in the Work Plan are based on Audit Committee's governance responsibilities as outlined in the *Municipal Government Act*, the Audit Committee Bylaw 48M2012, as amended, and decisions by Audit Committee and Council. Pursuant to Section 10(3) of Bylaw 48M2012, as amended, "the Chair has the responsibility and authority to set the Agenda for Audit Committee meetings". Throughout the year, the Chair may add emerging issues to the Work Plan, and defer or remove items no longer required.

Stakeholder Engagement, Research and Communication

This Work Plan has been reviewed with the City Auditor, Chief Financial Officer, External Auditor and other stakeholders as appropriate.

Strategic Alignment

The Audit Committee's Work Plan (including the Interim Plan) is an integral part of ensuring the integrity of the City's assets and operations, and aligns with Council's Priority of a well-run city; "Calgary's government is open, responsible, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need".

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

No budget adjustments are anticipated for the 2020 Work Plan.

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Current and Future Capital Budget:

Not applicable.

Risk Assessment

The Work Plan (including the Interim Plan) contributes to ensuring the Audit Committee meets the requirements of their mandate as contained in Audit Committee Bylaw 48M2012, as amended.

REASON(S) FOR RECOMMENDATION(S):

The Audit Committee 2020 Work Plan (including the Revised 2020 Interim Work Plan) is based upon previous years' work plans, emerging issues, decisions of Audit Committee and Council, as well as best practices. The 2020 Work Plan will enable the Audit Committee to meet its Bylaw and governance requirements.

ATTACHMENTS

1. Audit Committee 2020 Work Plan
2. Audit Committee Revised 2020 Interim Work Plan