

City Auditor's Office 2019 Annual Report

EXECUTIVE SUMMARY

The City Auditor presents the City Auditor's Office 2019 Annual Report, which provides a summary of the activities and value delivered by the City Auditor's Office (CAO) from January 1, 2019 to December 31, 2019.

RECOMMENDATIONS

1. That the Audit Committee receive this Report for the Corporate Record; and
2. That the Audit Committee recommend that Council receives this Report for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 FEBRUARY 13:

That Council receive this Report AC2020-0223 for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. The City Auditor is subject to the supervision of and accountable to Council, and reports to Council through Audit Committee.

Bylaw 48M2012 (as amended) states that Audit Committee is responsible for:

- Overseeing the performance of the City Auditor;
- Overseeing, through the City Auditor, the Whistle-blower Program.

Section 7 (b) of Schedule A of Bylaw 48M2012 (as amended) states that Audit Committee: "receives for information an annual audit report on the Whistle-blower Program and forwards to Council for information".

Section 1 (f) of Schedule C of Bylaw 48M2012 (as amended) states that Audit Committee: "reviews and forwards to Council for information, the City Auditor's Office quarterly and annual status reports".

Section 2 (b) of Schedule C of Bylaw 48M2012 (as amended) states that the City Auditor: "must submit the annual status report to Council for information after review by the Audit Committee".

Council Policy CC026, *Whistle-blower Policy*, states that the City Auditor "will report, at least on an annual basis, information related to reports received and investigations conducted during the year to Council through the Audit Committee".

BACKGROUND

The 2019 Annual Report summarizes the activities of the CAO in 2019. The report highlights significant activities carried out by the CAO and is presented to assist Audit Committee in its oversight responsibilities of the CAO. The mission of the CAO is to "Provide independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust". This annual report demonstrates how the CAO is successfully delivering

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value using the four guiding principles of Responsiveness, Risk Reduction, Reliability, and Resilience.

In 2019, utilizing a complement of 17 staff and a budget spend of \$2.8M, the CAO:

- Completed nine audits and initiated planning on one audit scheduled in the 2020 plan;
- Raised 54 audit recommendations resulting in 71 action plans, and monitored the closure of 78 action plans to support positive change;
- Identified 102 recommendations or corrective actions; and
- Closed 33 whistle-blower investigations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

N/A

Stakeholder Engagement, Research and Communication

The CAO collaborates with relevant teams from Administration in completing all audit and advisory projects. All audit reports are shared with Administration prior to presentation to Audit Committee.

The Whistle-blower Policy assigns responsibilities to the City Auditor and the City Manager to develop, implement and maintain an effective program. The results of all investigations are reported to the responsible General Manager and/or City Manager for action as appropriate. Any disciplinary action resulting from a substantiated report is the responsibility of management and shall be taken in accordance with Administration Policy HR-LR-002, *Labour Relations Policy*.

Strategic Alignment

The CAO Annual Report provides Audit Committee and Council with information to support their oversight responsibility of the CAO. The activities of the CAO assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the CAO serve to promote accountability, mitigate risk, and support an effective governance structure.

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REASONS FOR RECOMMENDATIONS:

1. Audit Committee has oversight responsibilities of the CAO.
2. Bylaw 48M2012(as amended) states the Audit Committee “reviews and forwards to Council for information, the City Auditor’s Office quarterly and annual status reports”.
3. Bylaw 48M2012 (ad amended) states that Audit Committee “receives for information an annual audit report on the Whistle-blower Program, and forwards to Council for information”.

ATTACHMENT

City Auditor's Office 2019 Annual Report AC2020-0223 ATT