

Corporate Credit Card Continuous Auditing

RECOMMENDATIONS:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 NOVEMBER 19:

That Council receive this Report for the Corporate Record.

HIGHLIGHTS

- Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. In accordance with Bylaw 30M2004 (as amended), the City Auditor reports the outcome of all audits to the Audit Committee (including Administration's response and corrective actions to be taken in regard to specific recommendations). The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.
- What does this mean to Calgarians? Continuous auditing results are a strong indicator that operational controls associated with the Corporate Credit Card program are generally effective in mitigating risks associated with non-compliant corporate credit card use.
- Why does it matter? Implementing continuous auditing is an efficient and cost-effective approach to monitor compliance and address non-compliance and associated risks in a timely manner.
- Strategic alignment: Citizen Priority – A Well Run City.

DISCUSSION

The City Auditor's Office has successfully implemented its first continuous auditing project. To show proof of concept, we focused on the Corporate Credit Card program as quality data was readily available. Using Power BI, we created an interactive web-based scorecard that automates monitoring against ten compliance metrics with the functionality to drill down to additional reports for greater detail. Attachment 1 is a high-level summarization of the entire scorecard as at the end of Q3 2020.

Benefits

1. Increased Visibility Into Process Performance Through Quantitative Measurement - We established ten performance metrics with associated thresholds where action should be taken to improve operational controls and reduce risk. Each metric can be drilled into to support further examination of the specific business units, transactions or accounts impacting the score.
2. Ongoing Assurance and Early Identification of Non-Compliance/Emerging Risks - As part of continuous auditing by the City Auditor's Office, these ten-performance metrics will be refreshed every month allowing for earlier identification of non-compliance and emerging risks.

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3. Scalable Cost-Effective Assurance - Economies of scale are achieved as the scorecard will be reused each month to automatically process and visualize the newly available data. Additionally, our scorecard runs on existing investments The City has made in its Power BI business intelligence infrastructure.
4. Service Value-add - Development of these metrics was enhanced by collaborative support with Finance staff and the end product was identified by Finance management as having value both in the application of the specific corporate credit scorecard and the broader application of continuous auditing to their business unit. We will continue to work collaboratively with Finance to share our scorecard, including its underlying code, and will continue to highlight trends as applicable.

Results

The enclosed scorecard summary (Attachment 1) is a strong indicator that operational controls associated with the Corporate Credit Card program are generally effective in mitigating risks associated with non-compliant corporate credit card use.

ATTACHMENT

1. Q3 2020 Corporate Credit Card Scorecard Summary - AC2020-1283 ATT1
2. Corporate Credit Card Continuous Auditing Presentation Slide - AC2020-1283 ATT2

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Katharine Palmer	City Auditor	Approve
David Duckworth	City Manager	Inform
Carla Male	CFO	Inform
Les Tochor	Director Finance/City Treasurer	Inform
Michael Perkins	Manager Tax, Receivables & AP	Inform