

## CITY AUDITOR'S OFFICE BYLAW AND CHARTER

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### EXECUTIVE SUMMARY

The City Auditor's Office Charter (AC2013-0830 Attachment 2) requires updating to reflect existing practices, and to continue to conform to standards set by the Institute of Internal Auditors. The City Auditor Bylaw requires updating to reflect the revised Audit Committee report reference.

#### RECOMMENDATIONS:

That Audit Committee recommends that Council:

1. Approve the updated City Auditor's Office Charter (Attachment 2)
2. Give three readings to the proposed Bylaw to amend the City Auditor Bylaw 30M2004 (Attachment 3).

#### RECOMMENDATIONS OF THE AUDIT COMMITTEE, DATED 2016 APRIL 14:

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That Council:

1. Approve the updated City Auditor's Office Charter (**Revised** Attachment);
2. Give three readings to the **Proposed Bylaw 26M2016** to amend the City Auditor Bylaw 30M2004 (Attachment 3)

### PREVIOUS COUNCIL DIRECTION / POLICY

Council approved Bylaw 30M2004 (Bylaw to establish the position of City Auditor) and AC2004-09 Attachment 2 (City Auditor Model) on May 17, 2004. Council approved Bylaw 48M2012 (Bylaw to continue the Audit Committee) on May 5, 2012. Council approved the City Auditor's Office Charter (AC2013-0830 Attachment 2, replacing the City Auditor Model AC2004-09 Attachment 2) and amended City Auditor Bylaw 30M2004 on January 13, 2014.

### BACKGROUND

The City Auditor's Office provides independent and objective internal audit services for the City of Calgary. Bylaw 30M2004 establishes the position of the City Auditor and 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. Bylaw 30M2004 and AC2013-0830 City Auditor's Office Charter collectively form the terms of reference governing the City Auditor.

The City Auditor's Office follows the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA Standards). IIA Standard 1000 (Purpose, Authority and Responsibility) states that "The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval." To align with this standard, the City Auditor reviews the Charter and the City Auditor Bylaw on a triennial basis, or more frequently as needed. The last review occurred in 2013.

### INVESTIGATION: ALTERNATIVES AND ANALYSIS

To identify amendments proposed, the City Auditor's Office compared the City Auditor's Office Charter to:

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- IIA Standards
- Audit Committee Bylaw 48M2012 as amended; and
- Current practices of the City Auditor's Office.

The amendments to the City Auditor's Office Charter are minor in nature and designed to update the wording of the documents to reflect current practices, and to conform to the requirements of the Institute of Internal Auditors. Attachment 1 summarizes the key changes proposed. As the Charter is proposed to be updated and approved, the reference to the approved Charter in the City Auditor Bylaw 30M2004 must be updated to ensure alignment of the documentation.

### **Stakeholder Engagement, Research and Communication**

The City Auditor's Office consulted with The City's Law Department regarding the proposed amendments to the City Auditor's Office Charter and City Auditor Bylaw.

### **Strategic Alignment**

The City Auditor's Office assists Council in its oversight of the City Manager's administration and accountability for stewardship over public funds.

### **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 City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure.

#### **REASON FOR RECOMMENDATION:**

Council approval is required to amend a previously approved Bylaw or report. City Auditor's Office Charter (AC2013-0830 Attachment 2) and Bylaw 30M2004 require amendment to conform to Institute of Internal Auditor Standards and reflect existing practices.

## **ATTACHMENTS**

1. Summary of Changes
2. **Revised** Proposed updated City Auditor's Office Charter
3. **Proposed Bylaw 26M2016**
4. City Auditor's Office Charter (AC2013-0830 Attachment 2)
5. Bylaw 30M2004 (consolidated)