

CITY AUDITOR'S OFFICE 2015 ANNUAL REPORT

EXECUTIVE SUMMARY

This report presents the City Auditor's Office 2015 Annual Report. The report provides an overview of the activities undertaken by the City Auditor's Office, including the Whistle-Blower Program activities, from January 1, 2015 to December 31, 2015.

RECOMMENDATIONS

That Audit Committee recommends:

1. That this report and Attachment be received for information;
2. That Section 2.0 of the Attachment entitled "Effective Delivery of the Whistle-blower Program" with respect to the Whistle-Blower Program be approved; and
3. That Council receives this report and Attachment for information.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2016 FEBRUARY 18:

That Council receives this Report and Attachment for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 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 states that Audit Committee is responsible for:

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

Section 7 (b) of Schedule A of Bylaw 48M2012 states that Audit Committee receives and approves an annual report on the Whistle Blower Program, and forwards to Council for information.

Section 1 (f) of Schedule C of Bylaw 48M2012 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 states the City Auditor: "will present the annual status report to Council for information after review by the Audit Committee."

Council Policy CC026, *Whistle-Blower Policy*, states "The City Auditor will report, on an annual basis, information related to investigations conducted during the year to Council through the Audit Committee."

BACKGROUND

The 2015 Annual Report summarizes the activities of the City Auditor's Office in 2015. The report highlights significant activities carried out by the City Auditor's Office and is presented to assist the Audit Committee in its oversight responsibilities of the City Auditor's Office.

CITY AUDITOR'S OFFICE 2015 ANNUAL REPORT

The City Auditor's Office completed seven of eight audits from the Council-approved 2015 Annual Audit Plan to draft report by the year end. The Office also finalized and issued four audits from the approved 2014 plan that were in progress at the end of 2014. The Office also provided advisory support to Administration regarding policies and governance. Further details of audit and advisory work conducted by the Office are in the Attachment.

The Whistle-Blower Program was launched on July 5, 2007. The Program is a governance initiative supporting Council's focus on accountability and reducing risk. The Program is operated by the City Auditor's Office to establish an autonomous, independent mechanism to ensure all allegations are reviewed, assessed and appropriately investigated. In 2015, the Whistle-Blower Program opened 88 new files resulting from allegations of waste and/or wrongdoing. Of the reports received in 2015, 35 resulted in further investigation. Thirty three investigations were closed during 2015. Summaries of substantiated and partially substantiated investigations are set out in Appendix B of the Attachment.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

N/A

Stakeholder Engagement, Research and Communication

The City Auditor's Office collaborates with the relevant teams from Administration in completing all audit and advisory projects. The final deliverable or audit report is 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. 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*. The City Auditor communicates with the Administration Leadership Team to include actions taken for substantiated reports so that the outcomes can be reported to Council through Audit Committee.

Strategic Alignment

The City Auditor's Office Annual Report provides Audit Committee and Council with information to support their oversight responsibility of the City Auditor's Office. The activities of the City Auditor's Office 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

CITY AUDITOR'S OFFICE 2015 ANNUAL REPORT

Risk Assessment

The activities of the City Auditor's Office, including the Whistle-Blower Program, serve to promote accountability, mitigate risk, and support an effective governance structure.

REASONS FOR RECOMMENDATIONS:

1. Audit Committee has oversight responsibilities of the City Auditor's Office.
2. Bylaw 48M2012 states the Audit Committee "reviews and forwards to Council for information, the City Auditor's Office quarterly and annual status reports."
3. Bylaw 48M2012 states that Audit Committee "receives and approves an annual report on the Whistle Blower Program, and forwards to Council for information."

ATTACHMENT

1. City Auditor's Office 2015 Annual Report.