

CITY AUDITOR'S OFFICE 2017/18 ANNUAL AUDIT PLAN

EXECUTIVE SUMMARY

This report provides the City Auditor's Office (CAO) 2017/18 Audit Plan for Audit Committee approval. This annual plan represents a two year span of activity in order to provide greater transparency and support efficiencies in audit delivery to Council. The 2017/18 Audit Plan consists of 25 audits (including five initiated in 2016), representing compliance, IT, operational and formal follow-up audits determined using a defined risk based approach. The 2017/18 Audit Plan is a critical deliverable provided by the CAO to ensure audit resources are directed to the most significant areas of The City of Calgary (The City) to support our audit mission to add value and enhance public trust.

RECOMMENDATIONS:

1. That Audit Committee approve the City Auditor's Office 2017/18 Annual Audit Plan and forward to Council for information; and
2. That Audit Committee recommend to Council that the City Auditor present the City Auditor's Office 2017/18 Annual Audit Plan to Council.

PREVIOUS COUNCIL DIRECTION / POLICY

Schedule C of Bylaw 48M2012 states that Audit Committee "reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee or Council may not remove items from the City Auditor's work plan but may direct items be added to the plan". The City Auditor's Office Charter (AC2016-0247 Attachment 2) states that the City Auditor will present an annual risk-based audit plan to Audit Committee for approval and to Council for information.

BACKGROUND

The CAO's mission is to provide independent and objective assurance, advisory and investigative services to add value to The City and enhance public trust. The CAO Charter 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. The CAO carries out this responsibility through the completion of an Annual Audit Plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The City Auditor's Office utilizes a two year rolling Annual Audit Plan, which is updated annually and presented to Audit Committee for approval and to Council for information. The annual update process involves:

- For audits planned in the first year (2017) – determining additional clarity regarding the scope and timing of the audit.
- For audits planned in the second year (2018) – determining the audit topics using the City Auditor's Office four year assurance roadmap, 2015-2018 Action Plan information, stakeholder input, and resource availability.

Stakeholder Engagement, Research and Communication

The City Auditor conducted forums on potential audit topics with members of Council, General Managers and Directors. In addition, the City Auditor held individual meetings with the Mayor,

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City Manager, Chief Financial Officer, and members of Administration impacted by proposed audits.

Strategic Alignment

The CAO's annual audit planning process aims to ensure that audit resources are focused on areas of significant risk and value to The City. The Annual Audit Plan is aligned to support Council's priority of a Well Run City.

Social, Environmental, Economic (External)

Financial Capacity

Current and Future Operating Budget:

The City Auditor's 2017/18 Annual Audit Plan has been developed utilizing resources included within the CAO's approved budget. The achievement of the Annual Audit Plan is based on all staff positions remaining at full complement throughout 2017 and 2018.

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. The City Auditor's Office conforms to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing which states internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually, and must consider the input of key stakeholders.

REASONS FOR RECOMMENDATIONS:

1. City Auditor's Office Charter requires the City Auditor to prepare an annual audit plan for approval by Audit Committee. Bylaw 48M2012 states that Audit Committee reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee, or Council, may not remove items from the City Auditor's work plan but may direct items to be added to the plan.
2. Bylaw 48M2012 states that the City Auditor shall present the annual audit work plan to Council for information.

ATTACHMENT

1. City Auditor's Office 2017/18 Annual Audit Plan