

## **REPORT ON MOTION NM2013-29**

### **INTRODUCTION:**

During the Council meeting held on 2013 September 17, Councillor Diane Colley-Urquhart's motion NM2013-29 regarding an audit on The City's response to June 2013 flooding was referred back to the Audit Committee for consideration in the 2014 Audit plan. Further direction was given to provide a report back to Council in conjunction with approval of the 2014 Audit Plan, no later than 2014 January.

Specifically the motion described the audit to include but not be limited to examining:

- a. The City of Calgary systems to implement its flood mitigation plan;
- b. The City of Calgary systems to identify what lessons can be learned from the June 2013 flooding and the systems used to produce the planned actions necessary for flood mitigation; and
- c. All aspects of the quality of planning, the decision-making process, and the execution of flood mitigation efforts and response by CEMA during the SOLE.

This document provides details on how Motion NM2013-29 was taken into consideration as part of the development and determination of the 2014 Audit Plan.

### **2014 AUDIT PLAN PROCESS:**

The audit universe is reassessed formally every year to identify and risk assess potential audit projects. As stated in our 2014 Audit Plan (AC2013-0785 Attachment 1), these potential audit projects originate from a number of sources, including areas raised by Council. Both Administration and members of Council had raised topics related to the 2013 flood, and as such the audit activities referenced in this motion were added to the audit universe.

This request for an audit was included in the audit universe and along with other potential audit activities went through the same standard risk assessment criteria, based on impact factors of financial, people, and risk identification. Once risk assessed, an initial list of prioritized audits was created based on audit judgement, knowledge of city initiatives and consideration of related assurance activities being performed by others. The Institute of Internal Auditors' *International Professional Practices Framework Standards 2050* states the importance of ensuring coordination of audit activities to ensure proper coverage and minimize duplication of efforts.

The last step was to reassess the list of prioritized audits based on resources available.

**FLOOD RELATED AUDIT ACTIVITIES:**

As a result of the formal audit planning process, three flood related audit activities were added to the 2014 Audit Plan. These three activities consider risk mitigation activities related to the response to the flood as well as consideration on recovery and resilience planning activities.

The three flood related audits as stated in the 2014 Audit Plan are:

1	Flood Recovery Expenditures	An audit of the systems and processes in place by The City to maintain accountability and transparency of flood funding recovery expenditures.
2	Flood Response, Recovery and Resilience - Lessons Learned	An advisory project examining the collection, assessment and implementation of lessons learned as initiated by Calgary Emergency Management Agency (CEMA). CEMA in turn has retained the Conference Board of Canada to conduct an independent assessment of its emergency management and response efforts as they relate to best practice.
3	Procurement Response under State of Emergency	An audit of the procurement and expediting processes that occurred during the 2013 State of Local Emergency and the processes supporting subsequent payment of these contracts.

It is the belief of the City Auditor's Office that the best use of our audit resources specific to flood related events would be to provide assurance that risks associated with procurement activity during the State of Local Emergency were appropriately mitigated, that systems are in place to monitor and account for the funding used to support the recovery effort, and to provide advisory support to act as an independent and objective monitor on the technical consultant review engaged by CEMA. The City Auditor Office recognizes that the recovery and resilience initiatives will continue beyond 2014 and as such flood related activities will remain in the audit universe and will continue to be evaluated and considered as part of future year plans.

As always we welcome the input of Council in our audit planning process as we strive to ensure that the City Auditor's Office continues to provide value through our audit activities.