

AUDIT COMMITTEE SELF-ASSESSMENT 2nd QUARTER UPDATE

EXECUTIVE SUMMARY

This report provides an update on the review of the Audit Committee 2015 / 2016 Self-Assessment Survey and is seeking approval of the new survey template (Attachment).

RECOMMENDATIONS:

That the Audit Committee approves:

1. The Audit Committee Self-Assessment Survey Template (Attachment);
2. The Audit Committee Self-Assessment Q3 and Q4 Updates be removed from the 2016 Work Plan (September and November respectively) as they are no longer required; and
3. The review by the Working Group on the Audit Committee Self-Assessment Survey be concluded and that the members be thanked for their contributions.

PREVIOUS COUNCIL DIRECTION / POLICY

Report AC2015-0744, Audit Committee 2014 / 2015 Self-Assessment, was approved at the 2015 November 12 Meeting of the Audit Committee. The Committee received the report for information after amending it by adding the following recommendation:

“Direct that a Working Group be established to review the 2015/2016 self-assessment and ensure compliance, with membership as follows:

- Executive Assistant to Audit Committee C. Smillie;
- Citizen Representative S. Crabtree;
- Citizen Representative B. Fitzsimmons;
- Councillor E. Woolley;

with Resource support provided from the Chief Financial Officer’s Office, the City Auditor’s Office and the External Auditor, and report back to Audit Committee by 2016 Q3.”

Report AC2016-0208, Audit Committee Self Assessment 1st Quarter Update, was provided to the Audit Committee on 2016 March 17 and Mr. Raj Ghosh, Citizen Member of the Audit Committee was added as a member of the Working Group at that time.

The 2015 / 2016 Self-Assessment Survey forms part of the Audit Committee 2016 Work Plan and the survey results will be brought to Committee at the 2016 October 20 Meeting.

BACKGROUND

The Audit Committee annually assesses their performance by completing a survey originating from the practice guide for Audit Committees entitled “Integrity in the Spotlight – Audit Committees in a High Risk World”. Committee self-assessment is a corporate governance leading best practice and was implemented by the Audit Committee in 2003.

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The results of the 2014 / 2015 Survey indicated that The City of Calgary Audit Committee met or exceeded expectations in most areas; however, a review of the survey by a Working Group was approved by the Audit Committee to ensure continuous improvement as it applies to compliance.

The Working Group met to review the survey on 2016 February 18, March 17 and April 22.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

During the initial meeting of the Working Group issues with the questions on the current survey were identified. Each Working Group member was assigned a selection of questions to review to determine their relevance, any deletions or additions needed and to edit as required. The members collaborated to perform extensive editing of the survey which resulted in a new survey template (Attachment).

The new self-assessment survey template links its questions to the mandate contained in the Audit Committee Bylaw 48M2012 and further, to the Reports reviewed at each Audit Committee meeting. By referencing the Reports dealt with, relevant to the questions asked, the Committee has further clarification on their compliance with respect to their oversight responsibilities.

In 3rd Quarter 2016, assuming approval of the new template, the Audit Committee will be asked to complete the self-assessment survey for inclusion in the Agenda for the 2016 October 20 Meeting. When completing the survey, members of the Audit Committee will see all relevant reports and activities that have been dealt with by the Committee over the past year, as they relate to each survey question.

To ensure compliance, ongoing tracking of the reports and activities of the Audit Committee can be performed by Audit Resource Management with assistance from Committee members as required. The Audit Committee may wish to direct that Quarterly Self-Assessment Update Reports no longer be provided since the survey itself can be used as a tracking tool. There is a recommendation contained in this Report to remove the updates from the 2016 Work Plan.

Stakeholder Engagement, Research and Communication

Resource support was provided to the Working Group by the Chief Financial Officer's Office, the City Auditor's Office and the External Auditor.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

Not applicable.

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Current and Future Capital Budget:

Not applicable.

Risk Assessment

Not applicable.

REASON FOR RECOMMENDATION:

The Audit Committee 2016 Work Plan includes quarterly updates on the Audit Committee 2015 / 2016 Self-Assessment Survey and approval of the new survey template is required.

ATTACHMENT

2015 / 2016 Audit Committee Self-Assessment Survey Template