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The City of Calgary's
Audit Committee

May 21, 2015

Calgary Public Library Board
Debra Giles, Audit & Finance Committee Chair
Heather Robertson, Director, Service Design
Elrose Klause, Controller

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Terms of Reference

- Calgary Public Library's Audit Committee was created in 2012

- The Terms of Reference were to:
  - Review and direct external and internal audit reports
  - Oversee risk direction at Calgary Public Library

- Effective 2015, financial oversight has been added to the Committee's terms of reference, and the Committee was renamed the Audit & Finance Committee

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Overview of Planned Governance Activities

Two Committees focus on governance

- Governance Committee guides and enhances the Board's governance practices

- Audit & Finance Committee planned activities:

  – Oversee the risk management function of the Calgary Public Library

  – Review budget preparation and financial performance

  – Receive the annual external audit plan

  – Receive and review the audited financial statements and auditor's report on the year's financial performance

  – Review operational audits performed periodically to internally benchmark and assess if work functions within the Calgary Public Library are matching best practices

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Audit & Finance Committee Members

- Debra Giles, Chair

- Rob Macauley

- Temina Lalani-Shariff

- Janet Hutchinson, Board Chair

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Overview of Risk Management Process

- The Library uses a proactive, continuous process to identify and minimize risk

- Board Policy *Risk Management* provides high level direction on risk management

- Board's Audit & Finance Committee reviews audit and risk factors and is responsible for evolution of Risk Framework

- Quarterly review of risk measures by Board's Audit & Finance Committee in place

- Risk management consistently applied to development and implementation of policy, programs, plans and future directions

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Overview of Internal Control Environment

- The Library Board has full management and control of the Library, with policies used to provide direction for decisions and actions by Board, management and staff

- The CEO is accountable to the Board, and Library staff are accountable to the CEO

- A comprehensive set of Board Policies (currently under review by the Governance Committee) sets the tone of the internal control environment

- All internal processes are fully documented, actively monitored, and continuously updated as changes occur

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Summary of External Auditors' Report

- Unqualified opinion was issued on the financial statements

- No restrictions placed on the scope of the audit

- No areas of non-compliance with laws and regulations identified

- No misstatements

- No disclosure deficiencies

- No instances of management overriding controls

- No significant weaknesses in internal control identified

- Accounting estimates are free of management bias and material misstatement

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Commentary on 2014 Statements

- Major reconciling items occur in reporting of:
  - Tangible capital assets and depreciation on those assets
  - Repayment of debt
  - Presentation of surplus and accumulated surplus

- The Library ended 2014 with a small unrestricted surplus

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Key 2015 Initiatives

- Bring the Library into more People's Lives
  - Extend library hours and enhance the library's digital presence
  - Deploy mobile devices, new program designs, and additional vehicles
  - Enhance information services through digital device lending

- Strengthening Neighbourhoods in a Growing City
  - Revitalize library facilities
  - Open a Transit-oriented library location at Westbrook
  - Implement the Library2Go mini-bookmobile

- Focus on Services that Make a Difference
  - Foster development of early literacy skills
  - Enhance services for students and newcomers
  - Broaden the summer reading experience by integrating a virtual component

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Summary

- Clean and unqualified audit opinion

- Separate Audit & Finance and Governance Committees

- Strengthening focus on risk management

- Strong organizational commitment to continuous process improvement

- Recognized leader in peer group

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