

OFFICE CONSOLIDATION

RED-LINE MARKUPS OF PROPOSED AMENDMENTS TO BYLAW 30M2004

**BEING A BYLAW OF THE CITY OF CALGARY
TO ESTABLISH
THE POSITION OF CITY AUDITOR

(Amended by 42M2004, 4M2014, 26M2016, 34M2020)

WHEREAS S. 210 of the *Municipal Government Act* (“the Act”) allows Council to pass a bylaw establishing a designated officer position to carry out specified powers, duties and functions;

DELETED BY 34M2020, 2020 SEPTEMBER 21.

AND WHEREAS Council wishes to establish a position of City Auditor;
(4M2014, 2014 January 27)

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:

1. The designated officer position of City Auditor is hereby created, with the powers, duties and functions as specified in this Bylaw or any other bylaw making reference to the City Auditor.
2. Council may, by resolution, appoint a person for a term not exceeding five (5) years, to hold the position of City Auditor and specify the terms and conditions of such appointment.
3. The person appointed to the position of City Auditor is eligible for reappointment.
(34M2020, 2020 September 21)
4. The appointment of a person to the position of City Auditor may be made, suspended or revoked only if the majority of the whole Council vote to do so.
5. **The City Auditor is accountable to Council and reports to Council through Audit Committee. Supervision of the City Auditor is provided by the Chair of Audit Committee. The Chair of Audit Committee facilitates two-way communication of information on emerging risks, controls and governance between the City Auditor and Council members.**
6. DELETED BY 4M2014, 2014 JANUARY 27.
(42M2004, 2004 June 21)
- 7 (1) **The City Auditor’s primary mandate is to audit any area of City operations reporting to the Chief Administrative Officer.**
- 7 (2) **The City Auditor may also conduct audits of any entity that receives any type of benefit from The City, whether financial, assets, or in-kind, or any entity that The**

City owns in part or in full, if there is the legal authority to conduct an audit, and if there are no other providers of assurance.

- 7.1 The City Auditor shall be provided with unrestricted access to all municipal personnel, records, property, policies, procedures, processes, systems and data necessary to support the work conducted by the City Auditor in delivery of assurance, advisory and investigative services.
(34M2020, 2020 September 21)
- 7.2 The City Auditor shall report the outcome of all audits to the Audit Committee (including Administration's response and corrective actions to be taken in regard to specific recommendations).
(34M2020, 2020 September 21)
- 7.3 The responsibilities of the City Auditor are more fully set out in Schedule "A".
(34M2020, 2020 September 21)
8. DELETED BY 4M2014, 2014 JANUARY 27.
9. The City Auditor shall have sole administrative authority and control over staff reporting to that position, including the establishment of management and salary structures and administrative policies. The hiring, evaluation, discipline and dismissal of staff is subject to any existing legislation, contracts or corporate employment guidelines.
(34M2020, 2020 September 21)
- 9.1 The City Auditor, through the Chief Administrative Officer, shall be provided enabling support services as required including:
- (a) corporate security;
 - (b) facility management;
 - (c) financial support;
 - (d) human resource support;
 - (e) IT solutions and support;
 - (f) legal counsel and advisory;
 - (g) organizational health, safety and wellness;
 - (h) procurement and warehousing; and
 - (i) strategic marketing and communications.
- (34M2020, 2020 September 21)
10. The City Auditor may retain consultants and make other expenditures as supported by the City Auditor's budget approved by Council.
(34M2020, 2020 September 21)
11. The City Auditor may further delegate powers, duties and functions to any person reporting directly or indirectly, to the City Auditor.

11.1 The City Auditor will review this Bylaw 30M2004 every three years (or more frequently if required), in conjunction with the Audit Committee's review of the Audit Committee Bylaw, and present any proposed changes to the Audit Committee and Council for approval.

(34M2020, 2020 September 21)

12. This Bylaw comes into force on the day it is passed.

READ A FIRST TIME THIS 17th DAY OF MAY, 2004.

READ A SECOND TIME THIS 17th DAY OF MAY, 2004.

READ A THIRD TIME THIS 17th DAY OF MAY, 2004.

(Sgd.) D. Bronconnier
MAYOR

(Sgd.) D. Garner
CITY CLERK

SCHEDULE "A"

CITY AUDITOR'S OFFICE STRUCTURES AND POLICIES

The City Auditor will ensure management structures and administration policies are sufficient to support:

1. MANDATE

The City Auditor will:

- (a) assist Council, through the Audit Committee, in its oversight of the Chief Administrative Officer's administration and accountability for stewardship over public funds and achievement of value for money in City operations; and
- (b) provide independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust.

For clarity, the City Auditor does not have a mandate to audit Council decisions.

2. PROFESSIONALISM AND INDEPENDENCE

The City Auditor and any staff reporting to the City Auditor will:

- (a) conduct all audit and advisory services through adherence to The Institute of Internal Auditors' **Global Internal Audit Standards**. ~~mandatory guidance including the~~
- (b) conduct all investigative services through adherence to Association of Certified Fraud Examiner's Code of Professional Standards. These standards of professional conduct will be adhered to as they pertain to integrity and objectivity, professional compliance, due professional care, communication and confidentiality;
- (c) remain free from interference by any element in the organization in the conduct of assurance, advisory and investigative services to permit maintenance of a necessary independent and objective mental attitude;
- (d) have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement; ~~and~~
- (e) exhibit the highest level of professional objectivity in gathering, evaluating, and communicating results. They will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements; and.
- (f) **conform to relevant laws and regulations that are applicable to The City of**

Calgary.
ASSURANCE SERVICES

The City Auditor will:

- (a) utilize a risk-based approach, and communicate audit assurance activities to Audit Committee for approval through the development of an annual audit plan, which, without limiting the scope of the foregoing, includes:
 - (i) Compliance Audits

Review the systems established to ensure compliance with policies, plans, procedures, ethical and business norms, as well as laws, regulations, and contracts which can have a significant impact on operations and reports and determining whether the organization is in compliance.
 - (ii) IT Audits

Review and evaluation of automated information processing systems, related non-automated processes and the interfaces among them to ensure business risks are minimized appropriately.
 - (iii) Operational Audits

Utilizing a risk-based approach, review operations, services, processes and/or systems to determine whether they are effective and implemented as planned to achieve their objectives. This type of audit may include assessing the efficiency with which resources are utilized.
 - (iv) Follow-up Audits

Review the effectiveness of the corrective action implemented in response to previous audit recommendations to ensure the underlying risk was mitigated as intended to support achievement of the objective. This type of audit is generally limited in scope, however, may identify efficiency opportunities resulting from operational changes and/or redundant control structures.
- (b) determine the appropriate methodologies, project scope, including utilization of data analytics to discharge the above, as well as considering the involvement and work performed by other assurance groups; **and**

- (c) **deliver data analytics assurance projects, which will assess risk and controls through the use of data analytics to complement, support and extend activities in 3(a). Projects may include continuous auditing (ongoing assessment of risk, controls and policy compliance against rules and risk thresholds) along with other data driven exposures of specific risks. Data analytics priorities will be presented to Audit Committee on an annual basis.**

4. ADVISORY SERVICES

The City Auditor will:

- (a) provide advisory services on an issue or project specific basis as requested by Administration which may include financial advisory, risk management, information technology systems security and control, data analytics and general management advisory services;
- (b) ensure requests received from Administration will be resourced based on a risk assessment basis similar to the determination on audit assurance work;
- (c) provide an independent view and insight on current, new or emerging risks and opportunities facing The City based on City Auditor's knowledge of best practice on risks, controls and governance frameworks;
- (d) ensure advisory services work must not impede the City Auditor's ability to conduct objective audits at a future date;
- (e) determine whether capacity exists to complete advisory requests against the priorities set on the approved audit plan; and
- (f) determine the appropriate methodologies, project scope, including utilization of data analytics to discharge the above.

5. INVESTIGATIVE SERVICES

The City Auditor will:

- (a) ensure sufficient professional staffing and technology are employed to support the Whistle-blower Program including intake, assessment, investigation, reporting and corrective action recommendation processes;
- (b) ensure all activities of the Whistle-blower Program are confidential and shared only on a need-to-know basis or as necessary to conclude on the investigation and/or recommended corrective action; and
- (c) establish processes in compliance with Whistle-blower Policy (**Council Policy CP2022-06**).

6. ACTIVITY REPORT

The City Auditor will:

- (a) provide a quarterly report to Audit Committee that includes trending and achievement of City Auditor's performance measures as established to reflect effective delivery of the City Auditor's mandate, status of Administration action on the current recommended action plan commitments agreed upon in previous audit reports, and status of deliverables against the approved annual audit plan;
- (b) amend the annual audit plan as needed if the risk profile, on which the annual audit plan is based, significantly changes during any given year, by presenting proposed change to Audit Committee for approval;
- (c) provide an annual report to Audit Committee that provides a retrospective summary of highlights and achievements of the year, reflecting the assurance, advisory and investigation services provided; **and**
(34M2020, 2020 September 21)
- (d) **be responsible for the development, implementation, and maintenance of a quality assurance program, and report on the results of the program to Audit Committee.**