

AUDIT COMMITTEE SELF-ASSESSMENT 1ST QUARTER UPDATE

EXECUTIVE SUMMARY

This report provides the Audit Committee (the Committee) with an update on the progress of the review of the Audit Committee 2015 / 2016 Self-Assessment Survey.

RECOMMENDATIONS:

That Audit Committee:

1. Receives Report AC2016-0208 for information; and
2. Appoints Mr. Raj Ghosh, Citizen Member, to the Working Group on Audit Self-Assessment.

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.”

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

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.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Working Group on Audit Self-Assessment (the Working Group) held their first meeting on 2016 February 18th. Mr. Raj Ghosh, Citizen Member, expressed interest in participating in the Working Group and the recommendation is to formally add him as a member.

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Issues with the current survey were identified and 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. Members will bring the progress on their assigned questions to the next meeting for further discussion.

It was determined that linking survey questions to the Audit Committee Bylaw 48M2012 and to the Reports reviewed at each Audit Committee meeting provides the Committee with clarification on compliance with respect to their oversight responsibilities. The intention of the new survey is to make a direct correlation between the mandate of the Audit Committee (the Bylaw), the Reports dealt with and Committee member's responses to survey questions. This can be done through tracking the reports and issues before Audit Committee and by the Executive Assistant to the Audit Committee reporting them through this quarterly update Report.

The estimated completion of the review is 2016 May with a new survey template to be brought for approval to the 2016 June 16 meeting of the Audit Committee. In the 3rd Quarter, assuming approval of the new template, the Audit Committee will be asked to complete the survey for inclusion in the Agenda for the 2016 October 20 Meeting.

The next meeting of the Working Group is scheduled for 2016 March 17th.

Stakeholder Engagement, Research and Communication

Resource support is 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.

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.

ATTACHMENT

None