

**Audit Resource Management Report to
Audit Committee
2024 June 13**

**ISC: UNRESTRICTED
AC2024-0182**

Proposed Amendments to Audit Committee Bylaw 33M2020 and City Auditor Bylaw 30M2004

PURPOSE

This report provides Audit Committee with recommendations from the Bylaw Review Working Group (BRWG) for proposed amendments to Audit Committee Bylaw 33M2020 (as amended) and City Auditor Bylaw 30M2004 (as amended) (Attachments 1 and 5). Following approval of these proposed amendments Audit Committee will recommend that Council give three readings to amending bylaws.

PREVIOUS COUNCIL DIRECTION

Bylaw 33M2020 (as amended) requires the Audit Committee to review their terms of reference and mandate every three years for compliance with Schedule 'A', Section 1(g) of Bylaw 33M2020.

Bylaw 30M2004 (as amended), requires the City Auditor to review the bylaw every three years in conjunction with the Audit Committee's review of their bylaw and present proposed changes to the Audit Committee and Council for approval, per Section 11.1 of Bylaw 30M2004 (as amended).

ADMINISTRATION RECOMMENDATION:

That Audit Committee:

1. Approve the Bylaw Review Working Group's proposed amendments to Bylaw 33M2020 (as amended) contained in Attachment 1;
2. Approve the Bylaw Review Working Group's proposed amendments to Bylaw 30M2004 (as amended) contained in Attachment 5;
3. Recommend that Council give three readings to the proposed bylaw to amend the Audit Committee Bylaw 33M2020 (as amended);
4. Recommend that Council give three readings to the proposed bylaw to amend the City Auditor's Bylaw 30M2004 (as amended); and
5. Thank the Bylaw Review Working Group members for their contributions.

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RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 JUNE 13:

That Council:

1. Give three readings to **Proposed Bylaw 30M2024** to amend the Audit Committee Bylaw 33M2020 (as amended) and following first reading, amend the proposed bylaw as follows:

- a. Amend, Page 3 of Attachment 1, Section 12 by deleting the words “The City’s” and by substituting with the words “External Auditor’s” as follows:

In SCHEDULE “B”, under Section 1. REGARDING THE EXTERNAL AUDITOR, subsections (a) and (b) are deleted and replaced with the following:

“(a) prior to the commencement of the annual external financial audit, reviews the audit plan and estimated audit fees with the External Auditor and discusses the timing and extent of audit procedures, materiality, significant audit risk and areas of audit focus and overall audit strategy. The External Auditor’s preliminary base audit fee estimates based on information available at the time of the External Auditor’s audit plan mailout and subject to change based on the full scoping of and progression of work on the audits for The City’s government business enterprise, related authorities and the ancillary audits are to be included in External Auditor’s audit plan for information purposes only. The audit plan is forwarded to Council for information; and

2. Give three readings to **Proposed Bylaw 31M2024** to amend the City Auditor’s Bylaw 30M2004 (as amended)

Excerpt from the Minutes of the Regular Meeting of the Audit Committee, 2024 June 13:

“A document entitled “Proposed Amendments to Audit Committee Bylaw 33M2020 and City Auditor Bylaw 30M2004, AC2024-0182” was distributed with respect to Report AC2024-0182.”

HIGHLIGHTS

The Audit Committee Bylaw 33M2020 (as amended) came into force on 2020 October 26 at the Organizational Meeting of Council.

The City Auditor’s Bylaw 30M2004 (as amended) was last amended in 2020 September 21 in conjunction with approval of Audit Committee’s new Bylaw 33M2020.

The recommendation for Council to give three readings to amending bylaws completes the bylaw review process directed to be performed by the BRWG at the 2023 March 08 Audit Committee Meeting (AC2023-0236).

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DISCUSSION

A BRWG was established to complete a review of both Audit Committee Bylaw 33M2020 (as amended) and City Auditor Bylaw 30M2004 (as amended) to determine if amendments are required. The review of both bylaws is complete, and amendments have been proposed.

The BRWG membership was comprised of Public Member M. Lambert, Councillor T. Wong, and Councillor R. Pootmans, supported by the City Auditor, the Executive Assistant to Audit Committee and the Law Department. Following Council's Organizational Meeting on 2023 October 24th Councillor Spencer, Chair and Councillor Pootmans, Vice-Chair performed the final review of proposed amendments.

Audit Committee Bylaw 33M2020 (As Amended)

The proposed amendments to Bylaw 33M2020 (as amended) can be categorized as follows:

- Housekeeping amendments;
- Amendments to clarify current practice; and
- Amendments to support Audit Committee's mandate, role, and authority.

For detail on the proposed amendments see the spreadsheet that outlines the current wording in Bylaw 33M2020 (as amended), the proposed amendment, and the rationale for making the amendment (Attachment 2)

Attachment 3 is a red-lined version of the original Bylaw 33M2020 which may be helpful by providing a draft consolidated version incorporating the proposed amendments.

City Auditor Bylaw 30M2004 (As Amended)

The proposed amendments to Bylaw 30M2004 (as amended) can be categorized as follows:

- Housekeeping amendments;
- Amendments to clarify current practice;
- Amendments to support City Auditor's mandate, scope of work, and reporting lines; and
- Amendments to support ongoing conformity to Institute of Internal Auditor's Global Internal Audit Standards.

For detail on the proposed amendments see the spreadsheet that outlines the current wording in Bylaw 30M2004 (as amended), the proposed amendment, and the rationale for making the amendment (Attachment 6).

Attachment 7 is a red-lined version of Bylaw 30M2004 (as amended) which may be helpful by providing a draft consolidated version incorporating the proposed amendments.

EXTERNAL ENGAGEMENT AND COMMUNICATION

Public engagement was undertaken

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- Public/interested parties were informed
- Dialogue with interested parties was undertaken
- Public communication or engagement was not required

In reviewing both bylaws, the Bylaw Review Working Group engaged with Audit Committee, the City Auditor, City Clerk's Office, the Law Department, External Auditor and Administration.

ATTACHMENTS

1. **Proposed Bylaw 30M2024**
2. Spreadsheet – Proposed Bylaw 33M2020 Amendments
3. Red-line Markups on Proposed Amendments to Audit Committee Bylaw 33M2020
4. Bylaw 33M2020, Audit Committee Bylaw (Current Version)
5. **Proposed Bylaw 31M2024**
6. Spreadsheet – Proposed Bylaw 30M2004 Amendments
7. Red-line Markups on Proposed Amendments to Bylaw 30M2004
8. Bylaw 30M2004, City Auditor's Bylaw (Current Version)
9. Proposed Amendments to Audit Committee Bylaw 33M2020 and City Auditor Bylaw 30M2004, AC2024-0182

Department Circulation

Councillor E. Spencer	Audit Committee Chair	Approve
Liz Ormsby	City Auditor	Consult

City Clerks: K. Picketts / C. Doi