



Calgary

City Auditor's Office

2025 Audit Plan

November 14, 2024



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**Audit Plan
Governance**

The mandate of the City Auditor's Office is to provide independent and objective assurance, advisory, and investigative services to add value to The City of Calgary (The City) and enhance public trust. The audits delivered by the City Auditor's Office as part of this assurance service are intended to assist Council, through Audit Committee, in its oversight of the Chief Administrative Officer's administration and accountability over public funds and achievement of value for money in City operations. Audits are intended to support The City in achieving objectives by supporting mitigation of Principal Corporate Risks, and act as a catalyst for improving The City's effectiveness and efficiency.

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. Schedule A of Bylaw 30M2004 (as amended) requires the City Auditor to utilize a risk-based approach and communicate audit assurance activities to Audit Committee for approval through the development of an annual Audit Plan. The annual presentation of the City Auditor's Office Audit Plan outlines the details of the planned audit activities, which could include:

- 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.
- 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.
- 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.
- 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.

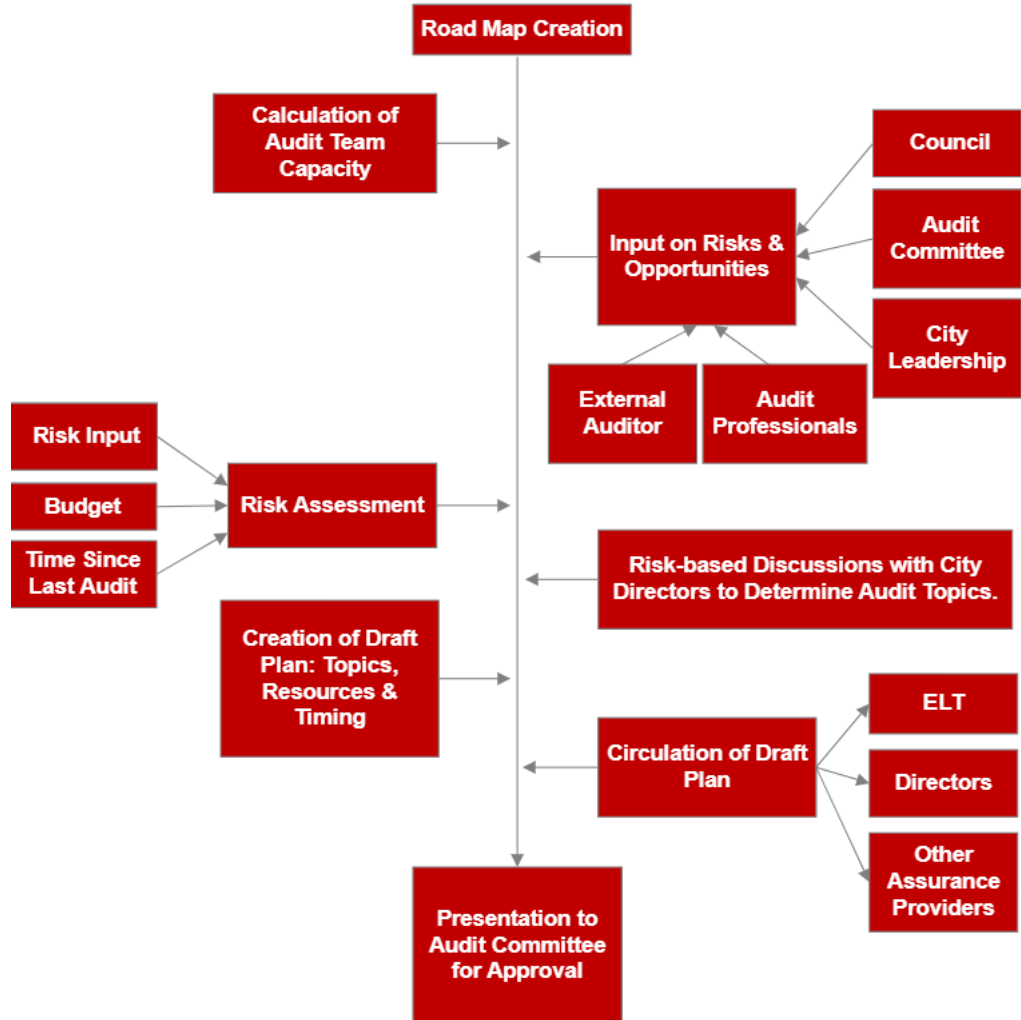
Bylaw 30M2004 (as amended) is aligned with The Institute of Internal Auditors' Global Internal Audit Standards (IIA Standards), which require the establishment of a risk-based planning approach to determine the priorities of the internal audit activity consistent with the organization's goals. The intent of the audit planning approach is to ensure that available audit resources are directed to areas where an audit will provide greatest value based on risk and level of coverage objectives.

**Audit Plan
Development**

The City Auditor's Office created a road map to guide future audit activity aligned to The City's Principal Corporate Risks with the intent of providing assurance over

mitigating activities related to an aspect of each Principal Corporate Risk on at least an annual basis.

The City Auditor’s Office follows IIA Standards taking a risk-based approach to the development of the Audit Plan, incorporating input from key contacts across The City, The City’s ERM analysis, and information on emerging risks from across the audit profession. The process followed to develop the 2025 Audit Plan from this road map is as follows:



The City Auditor’s Office prioritizes providing timely and value-added assurance in the development of the Audit Plan. Timely assurance equates to conducting an audit at a point in time where any recommendations will add value. Value add assurance equates to conducting our audit work with sufficient depth such that we not only provide assurance to Council, via Audit Committee, but additionally any recommendations support The City’s Administration with tangible improvement opportunities.

Resourcing

The development of the Audit Plan includes a full analysis of available resources. The 2025 Audit Plan is based on a full staffing complement of eight senior auditors conducting the audits, with the Audit Manager IT supervising IT audits, and two Deputy City Auditors supervising the remaining audits. In addition, Senior Data Analytics Auditors will provide data analytics support on audits where data collection and analysis are required. The calculation of available resources and associated development of the Audit Plan incorporates the calculation of productive work hours, as well as any known scheduling constraints impacting either the audit team or the relevant City of Calgary Business Units.

Contract audit resources will be utilized where appropriate to support gaps in staffing which arise due to vacancies, and the City Auditor's Office has an active contract with a provider of experienced audit resources to support timely utilization.

In delivering the audits in the Audit Plan, the City Auditor considers the technical skills available within the team and utilizes external subject matter expertise where required to ensure that appropriate depth of assurance is provided.

The City Auditor's Office approved 2025 budget is sufficient to deliver the proposed 2025 Audit Plan and incorporates funding to support the use of external subject matter expertise as well as funding for appropriate technology and training to support the efficient and effective delivery of audits by City Auditor's Office staff members.

The City Auditor's Office does not typically place reliance on other providers of assurance. Rather, the City Auditor and Deputy City Auditors meet regularly with other providers of assurance, particularly the City of Calgary's External Auditors, to support coordination of assurance activities and avoidance of duplication. Where reliance is to be placed on another provider of assurance, the City Auditor will, in conformance with IIA Standards, evaluate the providers' roles, responsibilities, organizational independence, competency, and objectivity, as well as the due professional care applied to their work, and understand the objectives, scope, and results of the work performed.

Advisory Services

The City Auditor's Office provides independent and objective advisory services on an issue or project-specific basis as requested by Administration, if resources are available, and where an issue/project is a significant priority to Administration. Requests for advisory services are responsive and are therefore not typically included within the proposed Audit Plan. Each request received is reviewed and assessed by the City Auditor's Office audit leaders to determine priority and available resourcing before a decision is made by the City Auditor as to whether to provide the service.

City of Calgary Administration have requested that during 2025 the Audit Manager IT provides advisory input to the development of The City's AI governance model. Given the importance of this topic to The City, this will be treated as a priority. Where input is provided, care will be taken to ensure that advisory services provided do not impede our ability to conduct objective audits of this topic in a future year.

**Audit Plan
Execution and
Monitoring**

The City Auditor's Office audit process utilizes a risk-based approach throughout all phases of the audit. In particular, the planning phase includes a detailed risk identification and assessment phase. The purpose of this phase is to identify the most significant risks within the area and focus the allocated audit resources on those areas. The result is an audit project that does not address all risks but focuses on the most significant risks that could impact the achievement of City objectives. In line with the IIA Standards, the planning of an audit considers (dependent on the audit topic) the risks to achievement of the organization's strategic objectives; reliability and integrity of financial and operational information; effectiveness and efficiency of operations and programs; safeguarding of assets; and compliance with laws, regulations, policies, procedures, and contracts.

The City Auditor will monitor progress against the approved 2025 Audit Plan and re-assess risk pertaining to individual project scope and emerging issue requests within the approved Audit Plan. The City Auditor is committed to supporting an agile team that can re-prioritize assurance activities.

The ability of the City Auditor's Office to deliver the 2025 Audit Plan could be impacted by a number of risks including Administration's capacity, vacant audit positions, and any future direction from Audit Committee to complete additional projects in response to emerging risks.

In accordance with Schedule A of Bylaw 30M2004 (as amended), the City Auditor provides a quarterly report to Audit Committee that includes the status of deliverables against the approved annual plan. Under Bylaw 33M2020, Audit Committee reviews and forwards these reports to Council for information. Where a significant change is required to be made to the approved annual plan (defined as the cancellation or postponement to a future year of an audit included in the approved annual plan), the City Auditor will communicate this change verbally to Audit Committee at the next available meeting, and through a written update in the next quarterly report. Where an audit is cancelled or postponed, a "reserve" audit (see Appendix) will be initiated.

Appendix - 2025 Audit Plan

City Auditor's Office 2025 Audit Plan			
#	Title	Description	Report Target
2024 In-progress Audits			
1	Partnerships - Neighbourhood Partnership	An operational audit of the Neighbourhood Partnership Coordinator Team's Community Association support. <i>Principal Corporate Risk: Service Delivery</i>	Q1 2025
2	Corporate Security – Cyber Security	An IT audit to assess the effectiveness of activities to detect the occurrence of cyber security events within The City's IT environment. <i>Principal Corporate Risk: Technological Disruption</i>	Q1 2025
3	Community Planning - Local Area Plan Process	An operational audit to assess the effectiveness of engagement in the Local Area Plan Process. <i>Principal Corporate Risk: Reputation</i>	Q2 2025
4	Utilities Delivery - Project Management	An operational audit assessing the effectiveness of the project management of the Deer Run Sanitary Lift Station. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2 2025
5	Supply Management - Corporate Supply Chain Resilience Strategy	An operational audit of Supply Management's processes that support the Corporate Supply Chain Resilience Strategy. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q2 2025
2025 Audit Plan			
1	Pension Compliance	A compliance audit as required by Alberta Pension Services providing independent triennial assurance over three City pension plans (LAPP, LAPP Fire and SFPP). <i>Principal Corporate Risk: Employee Experience</i>	Q2 2025 ¹

¹ Report to Alberta Pensions Services on June 30, 2025

City Auditor's Office 2025 Audit Plan			
#	Title	Description	Report Target
2	Transit Safety	An operational audit to assess the effectiveness of the implementation of The City of Calgary's Public Transit Safety Strategy. <i>Principal Corporate Risk: Social Wellbeing</i>	Q2 2025
3	2025 Municipal Election	An operational audit assessing readiness to deliver the 2025 Municipal Election. <i>Principal Corporate Risk: Reputation</i>	Q3 2025
4	Asset Maintenance - Bridges	An operational audit of The City's maintenance of bridges. <i>Principal Corporate Risk: Capital Infrastructure</i>	Q3 2025
5	Home is Here	An operational audit of The City's implementation of Objective 1a of Home is Here, The City of Calgary's Housing Strategy 2024-2030: making more City-owned real property assets available for housing in all communities. <i>Principal Corporate Risk: Social Wellbeing</i>	Q4 2025
6	Equity, Diversity, Inclusion and Belonging (EDIB) Work Plans	An operational audit of the development and implementation of EDIB Work Plans supporting The City of Calgary's EDIB Framework and Strategy. <i>Principal Corporate Risk: Employee Experience</i>	Q4 2025
7	Business Licenses	An operational audit of The City's business license process. <i>Principal Corporate Risk: Service Delivery</i>	Q4 2025
8	Climate Retrofitting	An operational audit of The City of Calgary's Facilities Climate Retrofitting initiative. <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026

City Auditor's Office 2025 Audit Plan			
#	Title	Description	Report Target
9	Data Governance	An operational audit to assess the effectiveness of The City of Calgary's data governance focused on data management policies and practices. <i>Principal Corporate Risks: Service Delivery, Technological Disruption</i>	Q1 2026
10	Cyber Security Governance	An IT audit to assess The City's cyber security governance against key outcomes in the NIST Cybersecurity framework. <i>Principal Corporate Risk: Technological Disruption</i>	Q1 2026
11	Follow-up: Bearspaw South Feeder Main Recommendations	A follow-up audit assessing the implementation of recommendations arising from the independent review of the Bearspaw South Feeder Main break. <i>Principal Corporate Risk: Capital Infrastructure</i>	TBD dependent on recommendations arising from the independent review

We recognize the importance of adaptability and flexibility in responding to challenges that may arise during the duration of the Audit Plan. To ensure the continued effective allocation of our audit resources, we have identified two 'reserve' audits which can be conducted if we are unable to perform other planned audits, and resources are available. The 'reserve' audits that we will consider initiating in the second half of 2025 if this circumstance arises are:

- Hybrid Work Environment
- Climate Data

If we do not initiate these audits later in 2025, we will consider the topics for inclusion in the 2026 Audit Plan on a risk basis.