

Audit Committee 2015 Annual Report Narrative

One of the Audit Committee's primary goals in fulfilling its mandate is to provide effective audit governance supporting increased accountability; transparency and a well run City. In 2015, the Audit Committee held 11 meetings and membership consists of seven independent members appointed by City Council; four City Councillors, of whom one is elected by the Committee as Chair, and three volunteer citizen members with financial expertise.

The City's Audit Committee oversees the activities of the external auditor and the City Auditor's Office to assist in ensuring City Administration's accountability to City Council. The Audit Committee engages independent external auditors in order to fulfill The City's legislated audit requirements. The current external auditor for The City is Deloitte LLP.

Deloitte LLP carried out the audit of The City of Calgary's 2015 financial accounts in accordance with Canadian Generally Accepted Auditing Standards, and had full and unrestricted access to the Audit Committee to discuss the audit and related findings. This external audit function provides assurance over The City's financial statements and reporting processes. Audit Committee reviews The City's Annual Financial Statements and recommends City Council approval of The City's financial statements as audited by the external auditor and presented in this 2015 Annual Report.

The City Auditor's Office is the independent internal auditor for the City of Calgary. The City Auditor's Office operates independently from City Administration and reports directly to Council through Audit Committee. The City Auditor's authority mandated in the City Auditor's Bylaw and the City Auditor's Office Charter, provides the City Auditor with unrestricted access to all municipal personnel, records, property, policies, procedures, processes and systems necessary to conduct audits. The risk-based activities of the City Auditor's Office are approved by Audit Committee through an annual work plan. Audit Committee can add items to the City Auditor's work plan; however, they cannot remove items from the work plan. The results of formal audits by the City Auditor's Office, as well as follow-up on audit recommendations, are presented to Audit Committee and Council for discussion, and made public through The City's website.

The City Auditor's Office oversees the Whistle-Blower Program to ensure allegations received from City employees or members of the public regarding waste or wrongdoing are subject to an appropriate investigation and resolution. The City Auditor reports

annually to Audit Committee, in accordance with the Whistle-Blower Policy, information related to reports received and investigations conducted during the year.

In addition to the major areas of focus, in 2015 the Audit Committee reviewed presentations from eight autonomous civic entities, and received ten reports relating to risk management from City Administration. The Audit Committee also provided oversight of The City's integrated risk management framework, financial disclosure and accounting practices, code of conduct, legal compliance and control environment. The Audit Committee coordinated its governance responsibilities with audit committees of The City's major autonomous civic entities as determined by the Audit Committee.

Working together with the Chief Financial Officer, the City Auditor and the External Auditor, the Audit Committee continuously refines their procedures and processes to enhance their effectiveness for the citizens of Calgary. Audit Committee reviews the Audit Committee Bylaw on a regular basis to ensure the Bylaw reflects best practices in audit governance.

The Audit Committee believes that it has the right professionals and the appropriate level of resources in place to continue to fulfill their mandate.

Richard Pootmans
Ward 6 Councillor
Chair, Audit Committee