

City Auditor's Office 2025 Audit Plan Amendment

PURPOSE

The purpose of this report is to seek approval from Audit Committee to amend the City Auditor's Office 2025 Audit Plan.

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. Schedule A of Bylaw 30M2004 states that the City Auditor will 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 the proposed change to Audit Committee for approval.

The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

The City Auditor's Office 2025 Audit Plan was approved by Audit Committee at the November 14, 2024 meeting.

RECOMMENDATIONS:

That the Audit Committee:

1. Approve the City Auditor's Office amended 2025 Audit Plan (ATT),
2. Direct the City Auditor to include a follow up audit on the Corporate Supply Chain Resilience Strategy in the proposed 2026 Audit Plan,
3. Receive this report for the Corporate Record, and
4. Recommend that Council receive this report for the Corporate Record.

RECOMMENDATIONS OF THE AUDIT COMMITTEE, 2025 MARCH 13:

That Council receive this report for the Corporate Record.

HIGHLIGHTS

- What does this mean to Calgarians? The City Auditor's Office provides independent and objective audit assurance services to add value to The City of Calgary and enhance public trust.
- Why does it matter? The amendment proposed changes the planned Supply Management - Corporate Supply Chain Resilience Strategy Audit to an advisory project. The format of the advisory project is to take the results of the initial audit review of process documentation and share this analysis with Supply Management to support on-going continuous improvement. There would be no subsequent reporting to Audit Committee. This proposed change allows Supply Management and other City of Calgary business units engaged in procurement to continue to prioritize key current activities related to the potential introduction of tariffs.
- Standard 9.4 of The Institute of Internal Auditors Global Internal Audit Standards requires that an Audit Plan is "dynamic and updated timely in response to changes in the organization's business, risks, operations, programs, systems, controls, and organizational

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culture". Standard 9.4 also states that "To schedule internal audit engagements, the chief audit executive should consider: The organization's operational priorities;....".

- Given the geopolitical environment, supply chain resilience is currently a high priority for Administration. The Chief Administrative Officer provided a summary of sourcing strategies that Administration are utilizing to minimize the impact of any future tariffs to Council, at the February 25, 2025 meeting.
- Administration are currently enacting multiple actions in support of the Corporate Supply Chain Resilience Strategy, and are reviewing and adjusting supporting processes on an on-going basis. Conducting a follow up audit in 2026 provides the best balance of timely independent assurance to Council via Audit Committee, with value-add insights to Supply Management. Continuing an audit during 2025 increases the risk that assurance provided and any associated recommendations would be out of date, obsolete or untimely.

RISK

The activities of the City Auditor's Office support Administration in their on-going mitigation activities related to Principal Corporate Risks.

ATTACHMENT

1. City Auditor's Office 2025 Audit Plan Amendment

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve
David Duckworth	Chief Administrative Officer	Inform
Stuart Dagleish	Chief Operating Officer	Inform
Les Tochor	Chief Financial Officer	Inform
Amit Patil	Director, Supply Management	Inform

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