



**Calgary**

City Auditor's Office

# 2026 Audit Plan

November 20, 2025



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**Audit Plan Purpose**

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.

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.

**2026 Audit Plan**

The 2026 Audit Plan outlines the twelve audits the City Auditor’s Office will deliver during 2026. The plan has been developed to direct available audit resources to areas where an audit will provide the greatest value based on risk and level of recent assurance provided.

City Auditor’s Office 2026 Audit Plan			
#	Title	Description	Report Target
1	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 2026
2	Operational Technology Governance	An operational audit of Operational Technology governance.  <i>Principal Corporate Risk: Technological Disruption</i>	Q2 2026
3	Green Line Construction Safety	An operational audit of Green Line’s construction safety.  <i>Principal Corporate Risk: Capital Infrastructure/Social Wellbeing</i>	Q2 2026
4	Winter Maintenance	An operational audit to assess the effectiveness of The City’s Winter Maintenance.  <i>Principal Corporate Risk: Service Delivery</i>	Q3 2026

5	Homelessness Prevention	An operational audit to assess the effectiveness of The City's Homelessness Prevention Strategies.  <i>Principal Corporate Risk: Social Wellbeing</i>	Q3 2026
6	Pay Processes	An operational audit of The City's pay processes.  <i>Principal Corporate Risk: Employee Experience</i>	Q3 2026
7	Engagement/Outreach for Capital Construction	An operational audit of The City's engagement and outreach with interest holders through project development for capital construction.  <i>Principal Corporate Risk: Capital Infrastructure</i>	Q4 2026
8	Calgary Transit Access	An operational audit of Calgary Transit Access.  <i>Principal Corporate Risks: Service Delivery</i>	Q4 2026
9	Labour Business Continuity	An operational audit of The City's Labour Business Continuity.  <i>Principal Corporate Risk: Service Delivery</i>	Q1 2027
10	Downtown Safety	An operational audit of Downtown Safety - Implementation of Recommendations from the Downtown Safety Leadership Table.  <i>Principal Corporate Risk: Social Wellbeing</i>	Q1 2027
11	Follow-Up: Bearspaw South Feeder Main Break	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>	Q1 2027
12	Established Area Linear Levy Pilot	An operational audit of the effectiveness of The City's Established Area Linear Levy Pilot.  <i>Principal Corporate Risk: Growth</i>	Q1 2027

We recognize the importance of adaptability and flexibility in responding to challenges that may arise during the course 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 2026 if this circumstance arises are:

- Illegal Dumping
- The City’s Use of Social Media

If we do not initiate these audits later in 2026, we will consider the topics for inclusion in the 2027 Audit Plan on a risk basis.

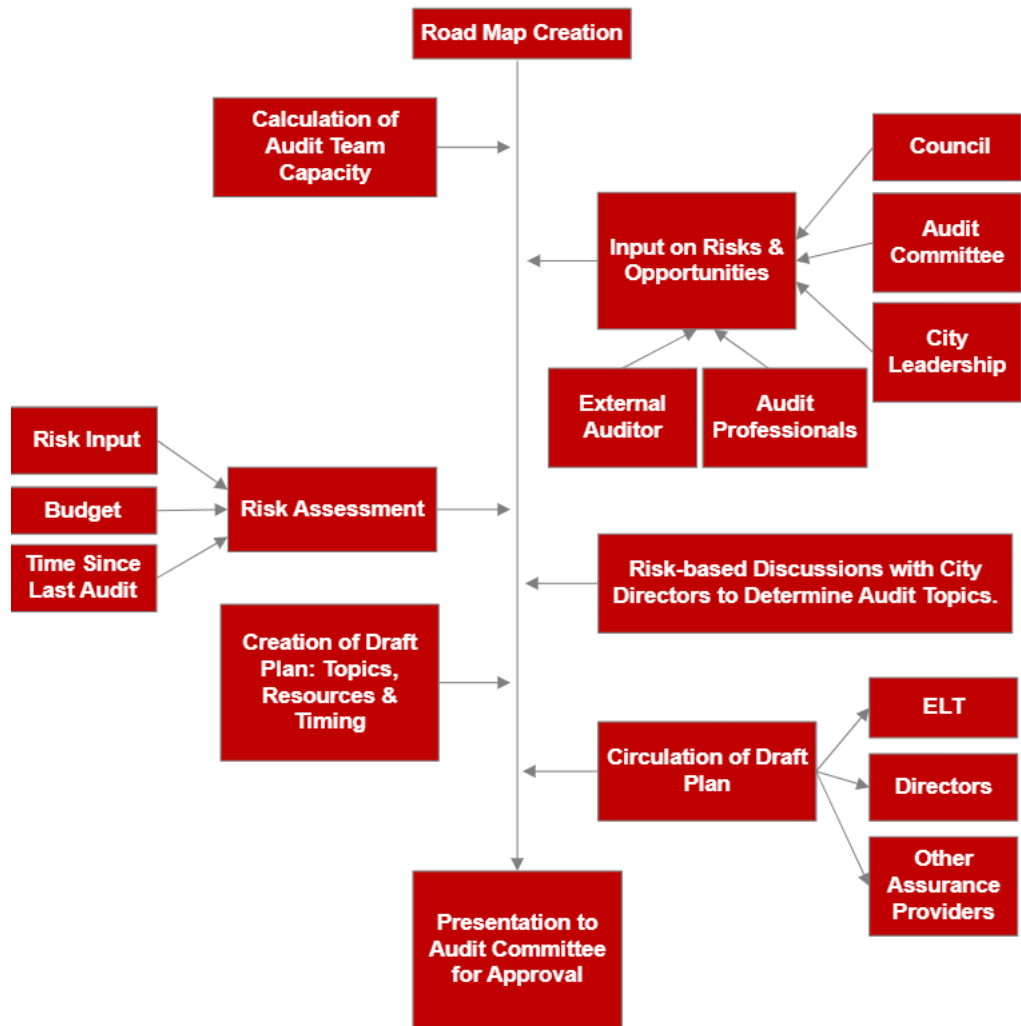
Our audit activities are continuous throughout the year to support most efficient use of available resources and timely reporting of findings and recommendations. The following 2025 audits listed are underway with reports expected to be presented to Audit Committee in Q1 2026.

#	Title	Description	Report Target
<b>2025 In-progress Audits</b>			
1	Business Licenses	An operational audit of The City’s business license process.  <i>Principal Corporate Risk: Service Delivery</i>	Q1 2026
2	Climate Retrofitting	An operational audit of The City of Calgary’s Facilities Climate Retrofitting initiative.  <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026
3	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
4	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
5	Climate Data	An operational audit of The City’s reported climate data metrics in the 2024 Annual Report, excluding GHG emissions.  <i>Principal Corporate Risk: Sustainable City</i>	Q1 2026

**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 2026 Audit Plan from this road map is as follows:



In developing this Audit Plan, we have considered the IIA’s Topical Requirements, which set out new expectations for internal audit coverage. For details on our approach to these requirements and how they are addressed in our planning, see the Appendix: Topical Requirements.

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## Resourcing

The development of the Audit Plan includes a full analysis of available resources. The 2026 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 if required to support any future 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.

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. 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 2026 budget is sufficient to deliver the proposed 2026 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 resources before a decision is made by the City Auditor as to whether to provide the service.

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In 2026, the City Auditor's Office will continue to provide advisory input to IT in support of managing artificial intelligence risks within The City of Calgary. We will achieve this through quarterly meeting with both the Chief Information Technology Officer and Manager of Emerging Technologies to identify opportunities where advisory input could add value to support maturing The City's approach to managing artificial intelligence risks.

**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. 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 2026 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 2026 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 will be initiated.

**Appendix –  
Topical  
Requirements**

As part of the Global Internal Audit Standards, the Institute of Internal Auditors has introduced Topical Requirements as a mandatory component.

The Institute of Internal Auditors states that they expect the use of Topical Requirements will help strengthen the relevance of internal auditing to address pervasive and evolving risks. The Topical Requirements are expected to provide minimum baseline and relevant criteria for a consistent, comprehensive approach to assessing the design and implementation of governance, risk management, and control processes in particular risk areas (the topics).

Topical Requirements are applicable when a risk assessment leads to the topic being one of the following:

1. The subject of an audit in the annual audit plan.
2. Identified while performing an audit, for example through the risk assessment in planning.

Evidence that each requirement in the Topical Requirement was assessed for applicability must be documented and retained. Not all individual requirements of a Topical Requirement may apply in every engagement; if requirements are excluded, a rationale must be documented and retained.

The application of professional judgement is considered essential by the Institute of Internal Auditors to effectively use Topical Requirements. Professional judgement allows auditors to tailor Topical Requirement application to their organization's unique context, risk profile, and priorities, ensuring that audit coverage is relevant and proportionate. Professional judgement is applied during the development of the Audit Plan, and in the process of defining the scope and objectives of each individual audit.

Three Topical Requirements have been issued/shared for public consultation during 2025. Each Topical Requirement becomes effective 12 months after it is issued. Further information, including detail of the content of each Topical Requirement can be found at: [Topical Requirements](#).

Our approach to these Topical Requirements in 2026 is as follows:

Topical Requirement	Issued	Related Principal Corporate Risk	Application: 2026 Audit Plan	Application: Individual Audits
Cybersecurity	Feb 2025	Technological Disruption	Technological Disruption was rated as Extensive in The City's 2025 Risk Profile. The City Auditor's Office will continue our current practice of including audits aligned with the NIST Cybersecurity Framework in each Audit Plan. Our 2026 Audit Plan includes an audit focused on Operational Technology Governance (NIST: Govern), and our 2026 Data Analytics Priority Areas of Focus includes a project focused on POSSE system user access (NIST: Prevent).	As Cybersecurity underpins delivery of City of Calgary services, The City Auditor's Office has developed a checklist which will be utilized during the planning phase of every audit, regardless of topic, to identify whether any aspects of this Topical Requirement apply.
Third Party	Sept 2025	Service Delivery	The City of Calgary contracts with Third Parties to provide products and deliver services. Supply Management establishes the governance and controls framework that supports contracts that are compliance with legislation and trade agreements. Business Units conduct procurement activities and contract management within this framework. Our 2026 Audit Plan includes an audit focused on Supply Management's processes that support the Corporate Supply Chain Resilience Strategy.	The City Auditor's Office will develop a step within the planning phase of every audit to identify whether any Third-Party relationships are a significant prioritized risk and therefore should be included within the scope of the audit.

			Our 2026 Data Analytics Priority Areas of Focus include a project focused on the management and renewal of expiring contracts, and a project focused on Waste and Recycling Services contract performance metrics.	
Organizational Behaviour	<i>Est. end 2025</i>	Employee Experience/ Reputational Risk	The City Auditor's Office will continue our current practice of completing a Code of Conduct Audit on a periodic basis. The last Code of Conduct Audit was reported in June 2023, with recommendation action plans implemented during 2024 and 2025. We will consider this topic for inclusion as an audit in the 2027 and/or 2028 Audit Plans.	N/A.  This topic is Corporate wide so completing a standalone audit rather than incorporating aspects of the Topical Requirement into other audits is a more efficient use of audit resources.