

CALGARY POLICE COMMISSION FINANCE & AUDIT COMMITTEE

2015 Audit Governance Status Report



Agenda

- Committee Composition
- Committee Terms of Reference
- 2015 Work Plans with focus on Risk Management
- Overview of the Risk Management Process
- Overview of Internal Control Environment
- Summary of 2014 External Auditor Report
- Commentary on 2014 Financial Statements
- Summary

Finance & Audit Committee Composition

- **Howie Shikaze, Committee Chair**

- Member and a Fellow of the Institute of Chartered Accountants of Alberta and ICD.D. Howie retired in 2014 as a Partner at MNP LLP with a practice in the areas of owner-managed businesses, public companies, and high net worth individuals. Howie served: as chair of the YMCA Audit and Investment Committee; Chair of CA Assist; past president of the Institute of Chartered Accountants of Alberta; many years as a partner in local firm of chartered accountants; on both private and public company boards.

- **Rodney Fong, CPC Chair**

- Lawyer with previous experience in police governance having served as the Chair of the Lethbridge Regional Police Commission as well as a board member for the Alberta Law Enforcement Response Teams (ALERT). He is currently a hearing chair for the Appeals Commission for Alberta Workers' Compensation and was a member of Alberta's Surface Rights and Land Compensation Board.

- **Stephanie Felesky**

- Appointed as a member of the Order of Canada and awarded an Honourary Doctor of Laws from the University of Calgary. In 2005 she received the designation of ICD.D from the Institute of Corporate Director and has extensive experience in the corporate, volunteer and charitable sectors in Calgary

Finance and Audit Committee Composition (Cont.)

- **Johnathan Liu**

- Chartered accountant and member of ICD. He serves as the CFO and Corporate Secretary-Treasurer for Westmount Charter School Society where he provides finance and accounting leadership.

- **Lisa Silver**

- Lawyer, educator, and community volunteer. She has a B.A. in Economics (UWO, 1984), an LL.B. (Osgoode Hall, 1987), and an LL.M. (Calgary, 2001). She was called to the Bar of Ontario in 1989 and the Bar of Alberta in 1998. Through her legal practice and teaching, she has been involved in all aspects of the criminal justice system.

- **Diane Colley-Urquhart**

- Senior member of Calgary City Council, having served six-terms. Served as a Director on the Board of Alberta Law Enforcement Response Teams (ALERT) and recipient of the Canada 125 Governor General's Commemorative Medal in recognition of significant contribution to compatriots, community and to Canada.

- **Ward Sutherland**

- Member of Calgary City Council. Has 25 years of senior leadership and management experience in top-tier companies and was awarded the Queen Elizabeth II Diamond Jubilee medal for significant contribution to the community.

Terms of Reference

- The Calgary Police Commission (CPC) has four standing committees that play a role in governance, including: Finance and Audit, Complaint Oversight, Personnel and Governance Committees.
- Committee Terms of Reference were drafted to enhance leadership in the area of providing strategic direction for adoption by CPC.

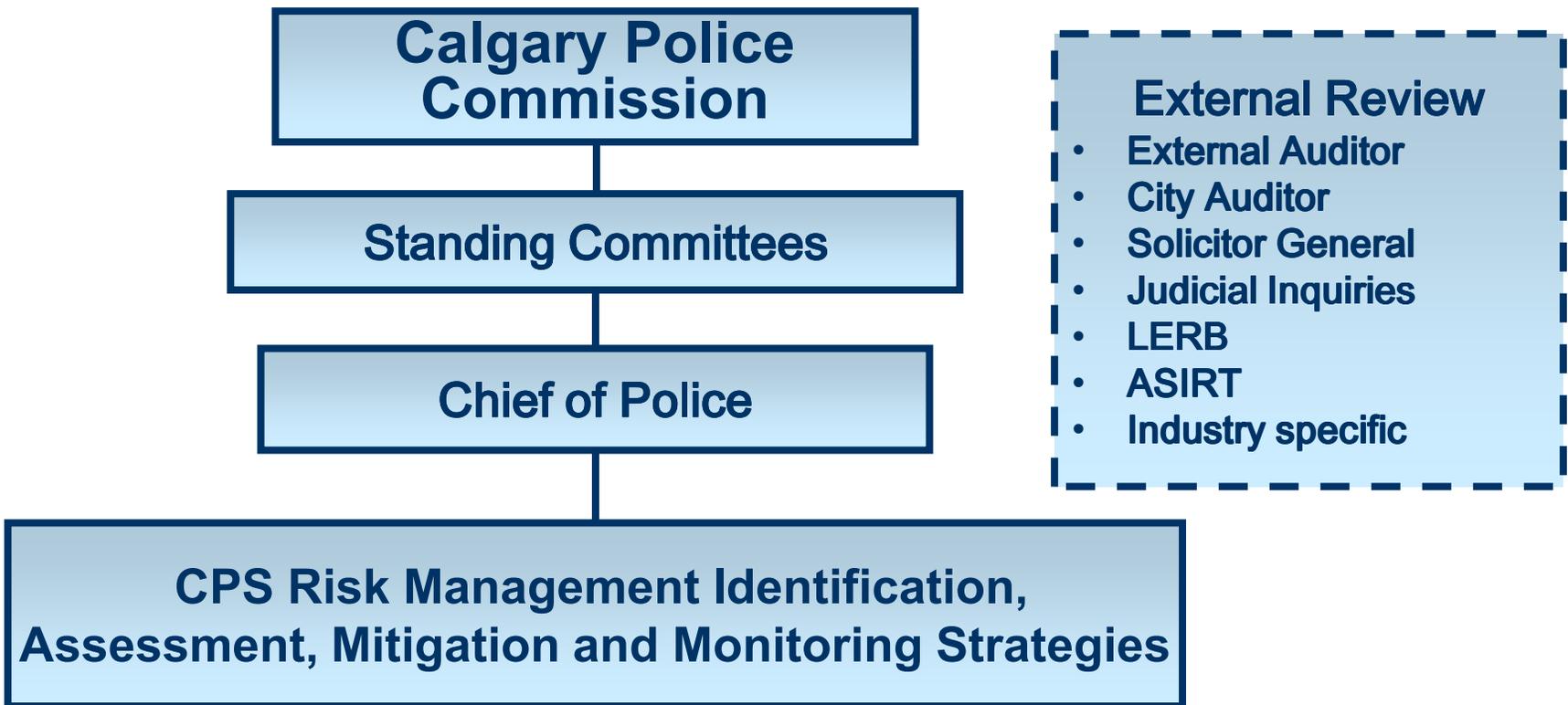
2015 Work Plans

- Engage in strategic planning.
- Oversee CPS budget, business plan and external financial audit.
- Present CPS budget, budget adjustments and financial audit findings to City Council.
- Monitor CPS statistics and performance.
- Review CPS risk management strategy.
- Conduct CPC governance self-assessment.
- Guide CPC risk monitoring and strategy.

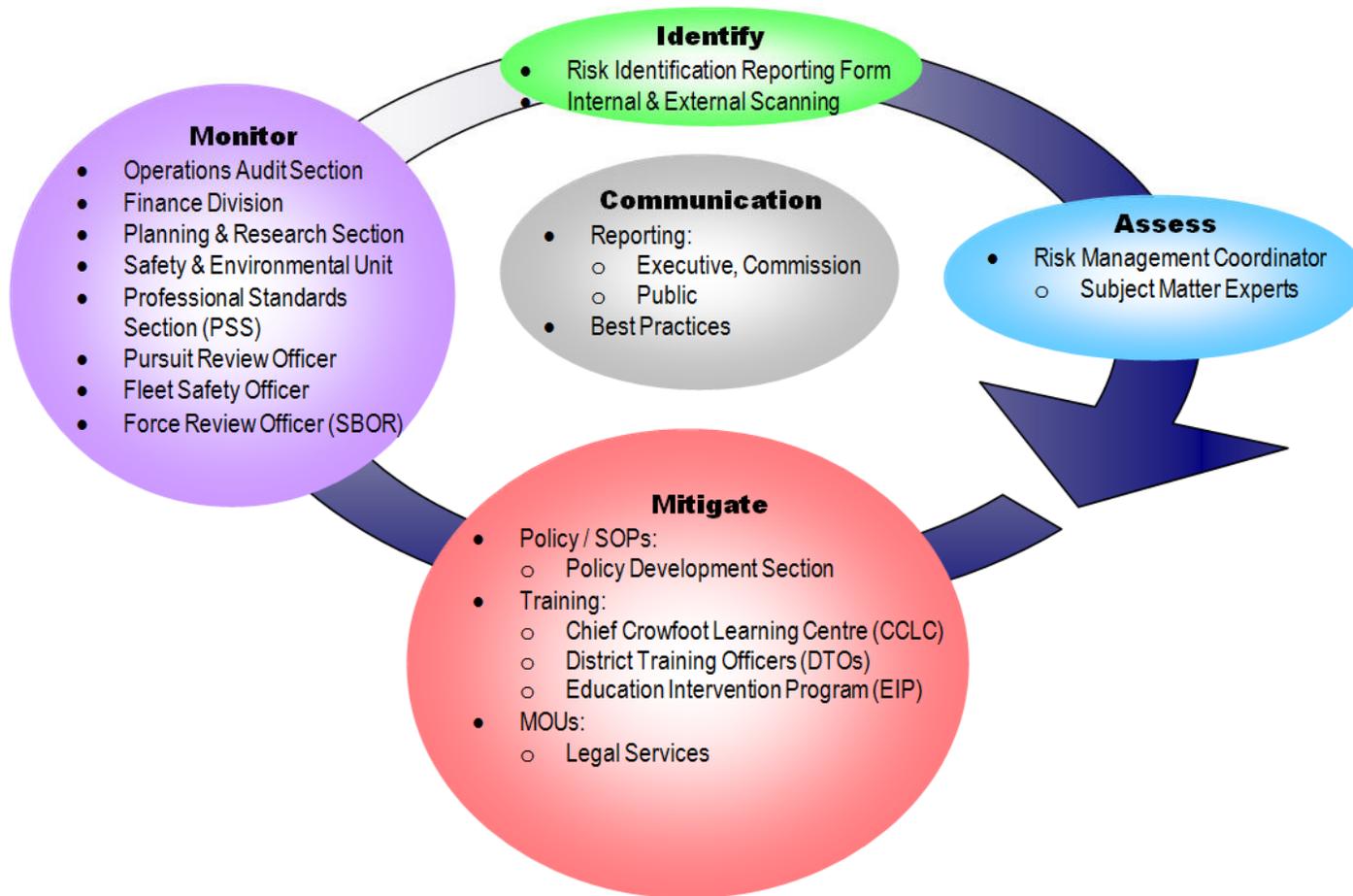
2015 Work Plans (cont.)

- Observe development of annual CPS internal audit plan.
- Review and receive CPS internal audit plan; and internal audit findings and progress reports.
- Monitor authorized vs. actual staffing levels and ensure adequate personnel.
- Conduct Citizen and Employee Surveys.
- Hire new Chief of Police, set performance measures and review the performance of the Chief.

CPS Risk Management



CPS Risk Management Process



CPS Focus on Risk Management

- The CPS has developed an integrated risk management model.
- The RM model focuses on operational and strategic risks.
- Risk management is viewed as the responsibility of all staff and work areas.
- The RM Coordinator scans the risk environment and communicates to CPS Executive and CPC the identified risks, mitigation strategies and outcomes.

CPS Focus on Risk Management

- The Operations Audit section is one of many areas which monitors risk. The Operations Audit section:
 - Focuses on improving operational service quality;
 - Fulfills compliance requirements;
 - Reports to the Office of the Chief which is outside operational work areas to enhance independence, and
 - Develops and completes annual work plan which is approved by the Chief and Executive.

CPS Focus on Risk Management (cont.)

As stakeholders in the development of the Annual Audit plan, the CPC Finance and Audit committee:

- Observes and informs the development of annual CPS operational audit plan;
- Receives the annual CPS operational audit plan; and operational audit findings and progress reports, and
- Meets with CPS Operations Audit section manager in-camera.

CPS Internal Control Environment

- Business Unit of The City of Calgary, following City financial policy and procedures for internal control.
- Participation on the “Internal Controls for Financial Reporting” Steering Committee, as a City Business Unit.
- Organization structure provides clear definitions of responsibilities.

CPS Internal Control Environment

- Up to date documentation and regular review of financial processes and internal controls for appropriateness and best practice.
- Included in corporate-wide audits by The City Auditors Office.
- CPS Operations Audit section objectively assesses the efficiency and effectiveness of areas of the CPS by providing regular reviews of selected areas based on the annual audit plan.

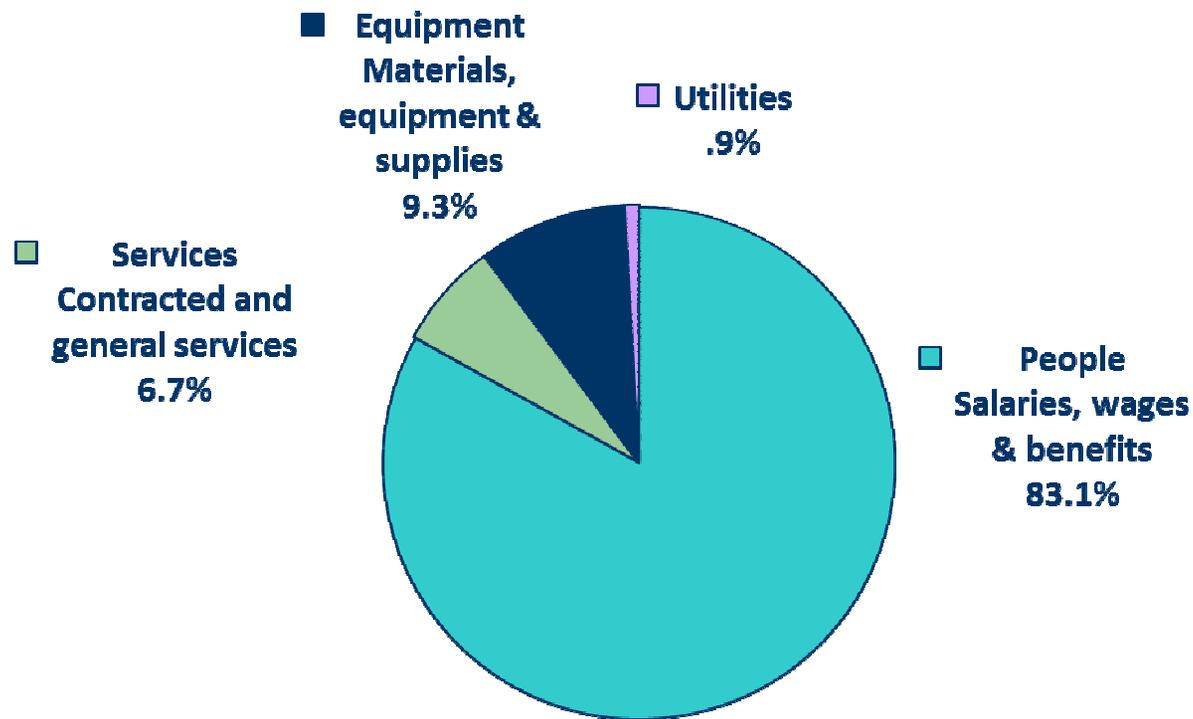
External Auditor Report

- Deloitte & Touche LLP has completed its audit of the 2014 financial statements of the CPS and has issued an opinion without qualification.
- As a City Business Unit, financial information of the CPS is included in The City's audited, consolidated financial statements.

2014 CPS Financial Statements

- There were no recommendations for improvement in internal controls.
- There were no audit adjustments related to the 2014 audit.
- There were no uncorrected misstatements during the course of the audit.
- There were no unadjusted disclosure deficiencies to report.
- The auditors issued an unmodified audit report.

2014 CPS Expenditures



Summary

- Active governance and oversight of CPS.
- Effective financial internal controls.
- Implementation of internal & external audits.
- Strategic risk management and risk monitoring.
- Defined responsibilities and independence.
- Board and chair performance review.
- Enhanced transparency and public reporting.