

ISC: UNRESTRICTED
AC2014-0537
Attachment 1

CALGARY POLICE COMMISSION FINANCE & AUDIT COMMITTEE

2014 Audit Governance
Status Report



Agenda

- Committee Terms of Reference
- 2014 Work Plans with focus on Risk Management
- Overview of the Risk Management Process
- Overview of Internal Control Environment
- Summary of 2013 External Auditor Report
- Commentary on 2013 Financial Statements
- Summary

Terms of Reference

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

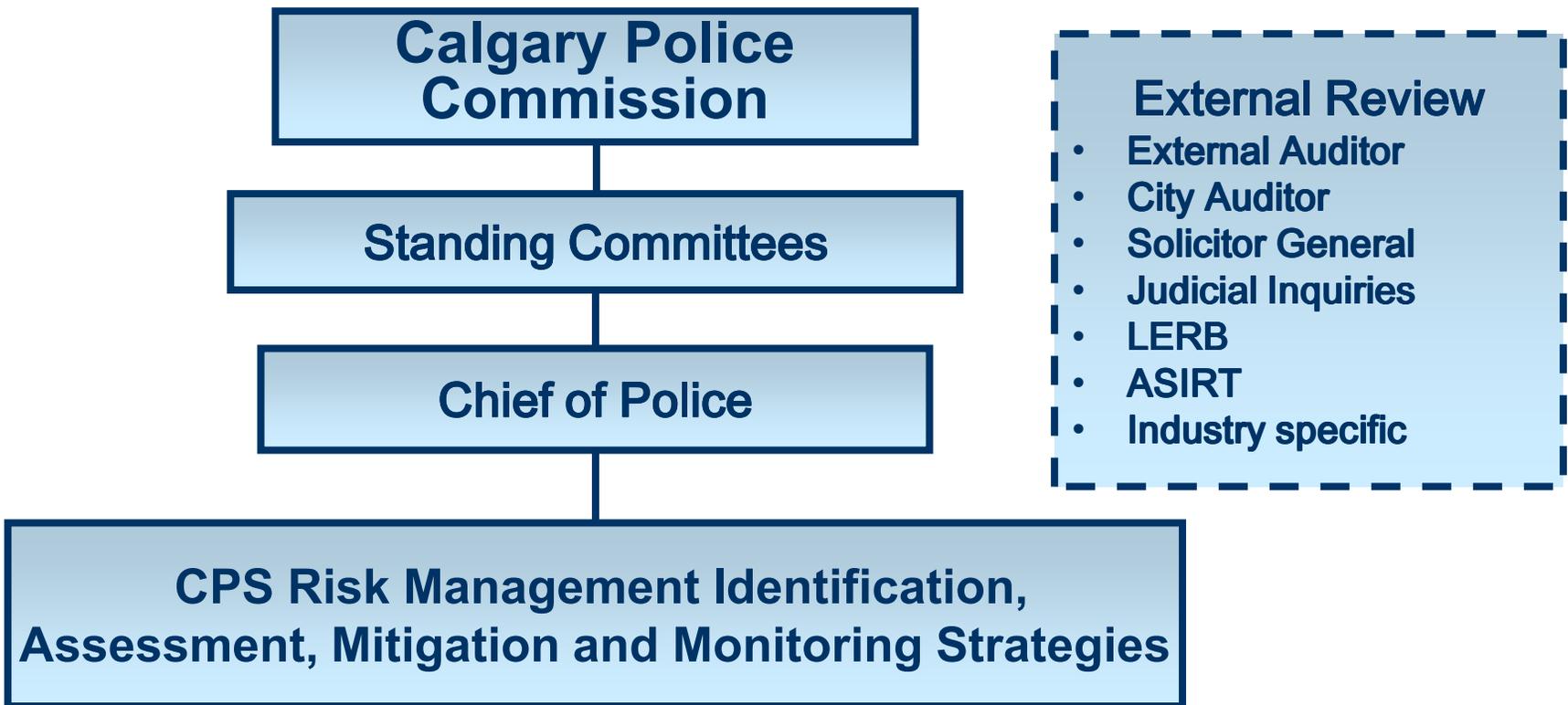
2014 Work Plans

- 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.

2014 Work Plans (cont.)

- Develop CPC leadership succession plan.
- 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.
- 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 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.

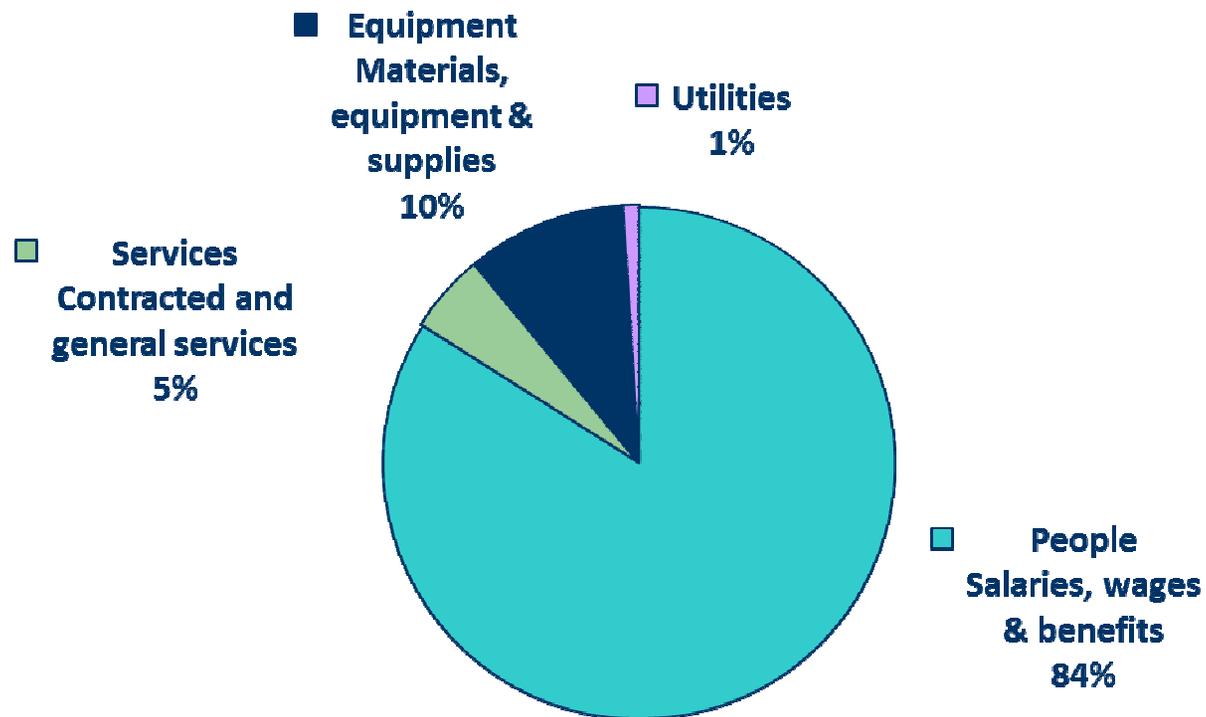
External Auditor Report

- Deloitte & Touche LLP has completed its audit of the 2013 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.

2013 CPS Financial Statements

- There were no recommendations for improvement in internal controls.
- There were no audit adjustments related to the 2013 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.

2013 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.