

I. STATUS OF AUDIT COMMITTEE 2013 WORK PLAN AND REPORTING SCHEDULE

Table A provides the original Work Plan and Reporting Schedule items approved by Audit Committee in January 2013, the items added in 2013 and the status of each item. The items are grouped chronologically by Audit Committee meeting date.

AUDIT COMMITTEE 2013 WORK PLAN AND MEETING SCHEDULE			
Meeting Date	Report	Accountability	
JAN 24, 2013	➤ External Auditor 2011 Management Letter Update	AC2013-0109	
	➤ Employee Code of Conduct Annual Report	AC2013-0012	
	➤ IT Risk Management Annual Update	AC2013-0096	
	➤ City Auditor's 4th Quarter 2012 Status Report	AC2013-0086	
	➤ Audit Committee 2013 Work Plan/Meeting Schedule	AC2013-0110	
	➤ 2012 Estimated External Audit Fees	AC2013-0188	
	➤ Selection of External Auditor 2013-2017 - Update	AC2013-0141	
	➤ Senior Research Officer – Job Specification Changes	AC2013-0142	
	➤ Audit Sub-Committee on Personnel – Membership Adjustment	AC2013-0143	
	➤ External Auditor – verbal report – In Camera	AC2013-0149	
	➤ City Auditor – verbal report – In Camera	AC2013-0150	
	➤ Whistle Blower Complaints – verbal report – In Camera	AC2013-0151	
	➤ Performance Review Process for City Auditor – In Camera	AC2013-0152	
	City Auditor's Office Audit Reports		
➤ Technology Investment Governance Audit	AC2013-0085		
FEB 21, 2013	➤ Legal Compliance Annual Report	AC2013-0130	
	➤ 2012 Whistleblower Report	AC2013-0196	
	➤ City Auditor's 2012 Annual Report	AC2013-0197	
	➤ Audit Committee Annual Status Report – 2012	AC2013-0238	
	➤ Update From the Audit Sub-Committee on External Auditor Selection – verbal report	AC2013-0244	
	➤ External Auditor – verbal report – In Camera	AC2013-0153	
	➤ City Auditor – verbal report – In Camera	AC2013-0154	
	➤ Process for Replacement of the City Auditor – In Camera	AC2013-0245	
	City Auditor's Office Audit Reports		
	➤ Police Information check Unit Process Review	AC2013-0195	

<p>MAR 21, 2013</p>	<ul style="list-style-type: none"> ➤ Integrated Risk Management Model Update ➤ Award of Additional Audit Work to Deloitte & Touche ➤ Quality Assessment Review ➤ Audit Committee Narrative for The City's 2012 Annual Report ➤ Selection of External Auditor 2013-2017 – Update – verbal report – In Camera ➤ The City of Calgary Insurance Coverage Annual Report – In Camera ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera ➤ Update from the Sub-Committee on Personnel – verbal report – In Camera ➤ Update on Hiring of The City Auditor – verbal report – In Camera ➤ Executive Assistant Recruitment Update – verbal report – In Camera 	<p>AC2013-0041 AC2013-0219</p> <p>AC2013-0278 AC2013-0287</p> <p>AC2013-0335</p> <p>AC2013-0286</p> <p>AC2013-0155 AC2013-0156</p> <p>AC2013-0334 – added</p> <p>AC2013-0336 – added</p> <p>AC2013-0337</p>
<p>APR 18, 2013</p>	<ul style="list-style-type: none"> ➤ 2012 Annual Investment Report ➤ Control Environment Assessment and Management Representations ➤ 2012 City of Calgary Annual Report ➤ 2012 External Auditor's Report ➤ Audit Committee 1st Quarter 2013 Status Report ➤ Audit Recommendations Follow-up Report ➤ 2013 – 2017 External Auditor Selection Recommendation ➤ City Auditor's 1st Quarter 2013 Status Report ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera <hr/> <p>City Auditor's Office Audit Reports</p> <ul style="list-style-type: none"> ➤ Calgary Transit Overtime Management Audit 	<p>AC2013-0348 AC2013-0332</p> <p>AC2013-0331 AC2013-0316 AC2013-0317</p> <p>Deferred to May</p> <p>AC2013-0414 – brought forward from May</p> <p>AC2013-0389 AC2013-0157 AC2013-0159</p> <hr/> <p>AC2013-0391</p>
<p>MAY 16, 2013</p>	<ul style="list-style-type: none"> ➤ Calgary Public Library Board Finance and Personnel Committee Annual Report ➤ Calgary Parking Authority Audit Committee Annual Report ➤ Audit Sub-Committee on Personnel Work Plan ➤ Audit Recommendations Follow-Up Report ➤ External Auditor Contract – In Camera ➤ Acting City Auditor – In Camera ➤ Audit Committee Personnel Matter – In Camera ➤ Selection of Special Studies and Performance Audits for 2013 ➤ External Auditor – verbal report – In Camera ➤ The City Auditor – verbal report – In Camera <hr/>	<p>AC2013-0427</p> <p>AC2013-0457</p> <p>AC2013-0463 - added AC2013-0445 AC2013-0460 - added AC2013-0462 - added AC2013-0479 - added</p> <p>Audit Resource Group</p> <p>AC2013-0160 AC2013-0161</p> <hr/>

	<p>City Auditor's Office Audit Reports</p> <ul style="list-style-type: none"> ➤ IT Network Access Security – In Camera ➤ PeopleSoft Human Capital Management (HCM) Application Security – In Camera 	<p>AC2013-0447 AC2013-0446</p>
JUN 20, 2013	<ul style="list-style-type: none"> ➤ Calgary Municipal Land Corporation Audit Committee Report ➤ Calgary Police Commission Finance & Audit Committee Annual Report ➤ Calgary Housing Company Audit and Risk Management Committee Annual Report ➤ External Auditor 2012 Management Letter ➤ Awarding of Public Private Partnerships (P3) Consulting Work to Deloitte LLP Under RFP #12-1798 ➤ Access Calgary Overview (ACP2013-0563) ➤ Status of Third Party Organizations Operating Not-for-Profit Facilities on City of Calgary-Owned Land – In Camera ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera <hr/> <p>City Auditor's Office Audit Reports</p> <ul style="list-style-type: none"> ➤ IT Hardware Inventory Management Audit ➤ Payroll Review and Approval Risk Review 	<p>Deferred to July</p> <p>AC2013-0562 AC2013-0549 AC2013-0560 AC2013-0520 AC2013-0574 AC2013-0464 AC2013-0164 AC2013-0165</p> <hr/> <p>AC2013-0522 AC2013-0516</p>
JUL 25, 2013	<ul style="list-style-type: none"> ➤ ENMAX Audit and Finance Committee Annual Report ➤ Calgary TELUS Convention Centre – Audit Committee Annual Report ➤ Attainable Homes Calgary Corporation ➤ Calgary Municipal Land Corporation Audit Committee Report ➤ External Auditor 2012 Performance Assessment ➤ Audit Committee 2nd Quarter 2013 Status Report ➤ Outstanding Reports and Motions (if applicable) ➤ City Auditor's 2nd Quarter 2013 Status Report ➤ Civic Partner Audit Review – In Camera ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera <hr/> <p>City Auditor's Office Audit Reports</p> <ul style="list-style-type: none"> ➤ West LRT Audit 	<p>Deferred to December</p> <p>AC2013-0605 AC2013-0601 AC2013-0607 Deferred to September AC2013-0612 Nothing Reported AC2013-0597 AC2013-0524 - added AC2013-0166 AC2013-0169</p> <hr/> <p>AC2013-0603</p>
AUGUST 2013	NO MEETING	

<p>SEPT 12, 2013</p>	<ul style="list-style-type: none"> ➤ Audit Committee Annual (2012/2013) Self Assessment ➤ External Auditor 2012 Performance Assessment – In Camera ➤ City Auditor’s Office Budget Update 2013 ➤ Audit Committee Budget Update 2013 ➤ Audit Committee Monthly Status Report ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera ➤ Amendments to the Audit Committee Bylaw ➤ Performance Assessment for City Auditor – In Camera – from the Personnel Working Group <hr/> <p>City Auditor’s Office Audit Reports</p> <ul style="list-style-type: none"> ➤ Calgary Convention Centre Authority Governance Framework Audit 	<p>AC2013-0690</p> <p>AC2013-0689</p> <p>AC2013-0691 AC2013-0688 – added</p> <p>AC2013-0683 - added</p> <p>AC2013-0170 AC2013-0171 AC2013-0684 - added</p> <p>AC2013-0687- added</p> <hr/> <p>AC2013-0654</p>
<p>OCT 2013</p>	<p style="text-align: center;">NO MEETING</p>	
<p>NOVEMBER 2013</p>	<p style="text-align: center;">NO MEETING</p>	
<p>DEC 12, 2013</p>	<ul style="list-style-type: none"> ➤ Election of Chair and Vice-Chair ➤ Election of Audit Sub-Committee on Personnel Membership ➤ Election of Audit Sub-Committee on Access Calgary Performance Audit ➤ Audit Committee Orientation ➤ ENMAX Audit and Finance Committee Annual Report ➤ External Auditor 2013 Fiscal Year Audit Plan ➤ 2013 City Manager’s Corporate Risk Report ➤ Audit Committee 3rd Quarter 2013 Status Report ➤ City Auditor’s 3rd Quarter 2013 Status Report ➤ Audit Recommendations Follow-Up Report ➤ City Auditor’s Office 2014 Annual Audit Plan ➤ City Auditor’s office Bylaw and Charter ➤ Audit Committee 2014 Work Plan ➤ External Auditor – verbal report – In Camera ➤ City Auditor – verbal report – In Camera <hr/> <p>City Auditor’s Office Audit Reports</p>	<p>No Report Deferred</p> <p>AC2013-0843 - added</p> <p>Deferred to January 20, 2014</p> <p>AC2013-0835</p> <p>AC2013-0841 Deferred to January</p> <p>AC2013-0839</p> <p>AC2013-0789 AC2013-0787 AC2013-0785 AC2013-0830 - added AC2013-0840 - added</p> <p>VR2013-0090 AC2013-0790</p> <hr/>

II. STATUS OF AUDIT COMMITTEE BUDGET

Audit Committee’s Terms of Reference, as approved by Council, provide for the Committee to develop a budget and recommend it to Council as part of The City’s budget process. The Committee’s operating budget for 2013 and 2014 was approved by Council in November 2011.

The Committee’s 2013 total operating budget is \$723,323.

For the year ending December 31, 2013, the budget status is as follows:

	\$ thousands
Budget	\$723,323
<i>Actual</i>	\$671,311
Variance	\$52,012

Variances of more than \$10,000 from the budget lines items:

1. **\$30,035** over budget on salary, wages and benefits
2. **\$127,736** over budget on professional fees for the External Auditors
3. \$173,510 under budget for external consultant fees
4. **\$13,237** over budget on professional fees for other professionals
5. \$40,104 over budget on internal recoveries from other departments

III. APPROVAL OF AUDIT AND NON-AUDIT SERVICES

The Audit Committee Bylaw states that the Audit Committee:

pre-approves all audit and non-audit services performed by the External Auditor. However, the Audit Committee Chair can pre-approve additional audit or non-audit services, performed by the External Auditor, up to \$25,000 total annually. Any approvals by the Chair will be reported to the Audit Committee as part of the Audit Committee Quarterly Status Report.

Schedule “B”, section 1(b).

For 2013, there were no approvals by the Chair for these services.

IV. OTHER STATUS INFORMATION**A) Autonomous Civic Entities**

The Audit Committee coordinates its governance responsibility with the audit committees of The City's major autonomous bodies. As determined by the Audit Committee, the following entities made presentations to the Audit Committee in 2013:

- Calgary Public Library
- Calgary Parking Authority
- Calgary Police Commission
- Calgary Housing Company
- Calgary Convention Centre Authority
- Attainable Homes Calgary Corporation
- Calgary Municipal Land Corporation
- ENMAX Corporation

B) City Auditor's Office Reports

The Audit Committee received and reviewed the following reports and audits from the City Auditor's Office in 2013:

- City Auditor's 4th Quarter 2012 Status Report
- Whistle Blower Complaints Report
- Technology Investment Governance Audit
- City Auditor's 2012 Annual Report
- 2012 Whistleblower Report
- Police Information Check Unit Process Review
- Quality Assessment Report
- Audit Recommendations Follow-up Report
- City Auditor's 1st Quarter 2013 Status Report
- Calgary Transit Overtime Management Audit
- IT Network Access Security Audit
- PeopleSoft Human Capital Management (HCM) Application Security Audit
- IT Hardware Inventory Management Audit
- Payroll Review and Approval Risk Review
- City Auditor's 2nd Quarter 2013 Status Report
- West LRT Audit
- City Auditor's Office Budget Update 2013
- Calgary Convention Centre Authority Governance Framework Audit
- City Auditor's 3rd Quarter 2013 Status Report
- City Auditor's Office 2014 Annual Audit Plan
- City Auditor's Office Bylaw and Charter

C) Audit Committee Bylaw

The Audit Committee Bylaw 48M2012 took effect on October 28, 2013. The Bylaw was then amended by Council in November 2013 to reflect the change in title for the Executive Assistant and the renaming of the Audit Resource Group to Audit Resource Management.

D) City Auditor's Office Bylaw and Charter

On December 12, 2013 Audit Committee accepted the City Auditor's Report to change the City Auditor's Office Bylaw and replace the City Auditor's Model with a Charter. That new Bylaw and Charter took effect on January 27, 2014 when Council gave three readings to the Bylaw.

E) Risk Management

The Audit Committee maintained its focus on corporate risk management in 2013. The following reports, pertaining to risk, were reviewed by the Audit Committee:

Employee Code of Conduct Annual Report, AC2013-0012
IT Risk Management Annual Update, AC2013-0096
Legal Compliance Annual Report, AC2013-0130
2012 Whistleblower Report, AC2013-0196
Integrated Risk Management Model Update, AC2013-0041
The City of Calgary Insurance Coverage Annual Report, AC2013-0286
2012 Annual Investment Report, AC2013-0348
Control Environment Assessments and Management Representations, AC2013-0332
Audit Recommendations Follow-Up Report, AC2013-0445
Status of Third Party Organizations Operating Not-For-Profit Facilities on City of Calgary owned land, AC2013-0464

F) Contract and Personnel Matters

The Audit Committee and the Audit Sub-Committee on Personnel were involved with the following this year:

1. Request for Proposal, selection and recommendation of the External Auditors for May 2013 to May 2018;
2. Review, interview and recommendation of the new City Auditor for June 30, 2013 to June 30, 2018;
3. Review, interview and hiring of the Executive Assistant for March 2013 to March 2015; and
4. Reviewing and drafting performance measures for the City Auditor.

G) Outstanding Motions and Directions

These are the outstanding motions and directions for the Audit Committee for 2013:

1. Election of Audit Sub-Committee on Personnel Membership – due December 12, 2013, deferred to an unspecified date;
2. Audit Committee Orientation – due December 9, 2013, deferred and completed on January 20, 2014; and
3. 2013 City Manager’s Corporate Risk Report – due December 12, 2013, deferred and completed on January 23, 2014.