

**Calgary Public Library Report to
Audit Committee
2018 July 25**

**ISC: UNRESTRICTED
AC2018-0589
Page 1 of 3**

Calgary Public Library Audit and Finance Committee Annual Report

EXECUTIVE SUMMARY

This is the Calgary Public Library's annual audit governance status report to The City's Audit Committee.

ADMINISTRATION RECOMMENDATION:

That the Audit Committee receives this Report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012 states that the Audit Committee is responsible for:

"overseeing its governance responsibility with audit committees of The City's major autonomous civic entities."

Section 4(1)(i)

BACKGROUND

A letter dated 2018 April 06 was provided to the Audit Committee Chair of the Calgary Public Library from the City of Calgary Audit Committee Chair requesting a report and presentation on its 2017 Annual Report, risk management processes and the Finance and Audit Committee terms of reference.

The letter outlined the items to be provided in their annual report to The City's Audit Committee, as follows:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2018 initiatives/strategy;
2. Report on your organization's key operating and strategic risks including trends and risk management plans and processes;
3. Analysis of the top three financial and/or operational risks that in your opinion would impact the City of Calgary and be of concern to the City's Audit Committee;
4. Report on internal controls including information technology and systems;
5. Most recent management letter including management responses as appropriate; and
6. Audit Committee 2018 Work Plan.

The presenters of the report should be prepared to answer the following questions:

1. What is the frequency of review and are there any recent changes to the Audit Committee Charter or Terms of Reference?
2. What is the current composition of the Audit Committee and what is their relevant financial experience?
3. Have there been any significant changes to organizational leadership?
4. Are there any regulatory or market changes that may impact the current business approach and would they be relevant to share publicly with the Audit Committee?
5. Are there any results of any regulatory or internal/external business assessments that provide assurance on the effective management of risks as addressed in your presentation?

**Calgary Public Library Report to
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**ISC: UNRESTRICTED
AC2018-0589
Page 2 of 3**

Calgary Public Library Audit and Finance Committee Annual Report

6. What initiatives are currently in progress to improve the efficiency of your processes?
(e.g. sustainable operations, key performance indicators and relevance of the organization in the future)

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This report responds to The City Audit Committee's reporting requirements of the Calgary Public Library Board (CPL).

In 2005, The City's Audit Committee initiated a review of The City's governance structures pertaining to its main subsidiary organizations, and autonomous civic entities that represent significant assets to The City of Calgary and/or have significant operating budgets.

This annual report from the CPL Board is one of the changes that were implemented as a part of the governance review. As such, this thirteenth annual report is intended to be an ongoing dialogue between The City of Calgary and the CPL Board. It is anticipated the annual report from the CPL Board will continue to evolve over time to meet The City Audit Committee's information requirements in discharging its governance responsibilities.

The Attachments update the information provided in previous years.

Stakeholder Engagement, Research and Communication

Not applicable.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

There are no budget implications for this Report.

Current and Future Capital Budget:

There are no budget implications for this Report.

Risk Assessment

Although reporting on risk is a major component of this report, the report itself contains no significant risks.

**Calgary Public Library Report to
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**ISC: UNRESTRICTED
AC2018-0589
Page 3 of 3**

Calgary Public Library Audit and Finance Committee Annual Report

REASON(S) FOR RECOMMENDATION(S):

This report is for information only

ATTACHMENT(S)

1. Attachment 1 – The Calgary Public Library Board – Audit Governance Status
2. Attachment 2 – CPL Board Member Re-Appointment Guidelines
3. Attachment 3 - Deloitte Report to the Calgary Public Library Board of Directors for the year ended December 31, 2017
4. Attachment 4 - The Calgary Public Library Board Financial Statements for the Year Ended December 31, 2017
5. Statement of Operations and Accumulated Surplus – Variance Explanations
6. Annual Risk report dated March 2018
7. Quarterly Risk Report dated April 2018
8. 2017 Audit and Finance Committee Work Plan
9. The Calgary Public Library PowerPoint Presentation to Audit Committee