

CITY AUDITOR'S OFFICE 2019-2020 AUDIT PLAN

EXECUTIVE SUMMARY

This report provides the City Auditor's Office (CAO) 2019-2020 Audit Plan for Audit Committee approval. This plan represents a two year span of activity to provide greater transparency and support efficiencies in audit delivery to Council. The 2019-2020 Audit Plan consists of 26 audits (including five initiated in 2018), representing compliance, IT, operational and formal follow-up audits determined using a defined risk-based approach. The 2019-2020 Audit Plan is a critical deliverable provided by the CAO to ensure audit resources are directed to the most significant areas of The City of Calgary (The City) to support our audit mission to add value and enhance public trust.

RECOMMENDATIONS:

That Audit Committee:

1. Approve the City Auditor's Office 2019-2020 Audit Plan and forward to Council for formal presentation; and
2. Recommend that Council receive for information Report AC2018-0998 and the formal presentation of the City Auditor's Office 2019-2020 Audit Plan;

and further, that Report AC2018-0998 be placed in the Regular portion of the Council Agenda under the section "Committee Reports".

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2018 SEPTEMBER 18:

That Council:

1. Receive this Report for information; and
2. Receive the City Auditor's formal presentation of the City Auditor's Office 2019-2020 Audit Plan.

PREVIOUS COUNCIL DIRECTION / POLICY

Schedule C of Bylaw 48M2012 states that Audit Committee "reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee or Council may not remove items from the City Auditor's work plan but may direct items be added to the plan". Schedule C of Bylaw 48M2012 also states that the City Auditor "must formally present the annual audit work plan to Council for information."

BACKGROUND

The CAO's mission is to provide independent and objective assurance, advisory and investigative services to add value to The City and enhance public trust. The CAO Charter (AC2016-0247 Attachment 2) states that the City Auditor is responsible for assisting Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement of value for money in City operations. The CAO carries out this responsibility through the completion of an Audit Plan.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

The CAO utilizes a two year rolling Audit Plan, which is updated annually and presented to Audit Committee for approval and to Council for information. The 2019-2020 Audit Plan is a new plan aligned with the One Calgary budget cycle preparation and premised on a four year 2019-2022 assurance road map. Audits planned for 2019 have greater clarity regarding anticipated timing and scope. During 2019, the CAO will continue the annual update process by providing greater clarity regarding timing and scope for 2020 planned audits, and by determining 2021 audit topics. It is anticipated that the City Auditor will present the next two year rolling plan in October 2019.

Stakeholder Engagement, Research and Communication

The City Auditor conducted separate engagements on potential audit topics with members of Council, and with citizen members of Audit Committee, and reached out to General Managers and Directors via an internal survey to gather stakeholder input. In addition, the City Auditor held individual meetings with the Mayor, Chair of Audit Committee, City Manager, Chief Financial Officer, and members of Administration impacted by proposed audits.

Strategic Alignment

The CAO's annual audit planning process ensures that audit resources are focused on areas of significant risk and value to The City. The Audit Plan is aligned to support all five Citizen Priorities, which in turn supports the Citizen Priority of A Well-Run City.

Social, Environmental, Economic (External)

Financial Capacity

Current and Future Operating Budget:

The City Auditor's 2019-2020 Audit Plan is based on the CAO's current budget and retention of existing staff positions.

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the CAO serve to promote accountability, mitigate risk, and support an effective governance structure. The CAO conforms to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, which states the plan of audit engagements must be based on a documented risk assessment, undertaken at least annually, and must consider the input of key stakeholders.

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REASONS FOR RECOMMENDATIONS:

1. Bylaw 48M2012 states that Audit Committee reviews and approves the City Auditor's Office annual work plan and forwards to Council for information; the Audit Committee, or Council, may not remove items from the City Auditor's work plan but may direct items to be added to the plan.
2. Bylaw 48M2012 states that the City Auditor must formally present the annual audit work plan to Council for information.

ATTACHMENT

City Auditor's Office 2019-2020 Audit Plan - AC2018-0998