

**Calgary Public Library Report to
Audit Committee
2019 June 27**

**ISC: UNRESTRICTED
AC2019-0526**

Calgary Public Library Audit and Finance Committee Annual Report

EXECUTIVE SUMMARY

This is the annual report from the Calgary Public Library's Audit and Finance Committee to The City's Audit Committee.

CALGARY PUBLIC LIBRARY 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 2019 April 10 was provided to the Chief Executive Officer of the Calgary Public Library from the City of Calgary Audit Committee Chair requesting a report and presentation on its 2018 Annual Report, risk management processes and the Audit and Finance 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 2019 initiatives/strategy;
2. Report on the 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 our 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 2019 Work Plan.

As requested in the letter, presenters of the report will 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?

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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 fourteenth 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

No implications for this report.

Strategic Alignment

This report aligns with The City Audit Committee's governance responsibility to receive annual reports on matters of audit governance, including the organization's most recent annual financial statements, from the Calgary Public Library.

Social, Environmental, Economic (External)

No implications for this report.

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.

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REASON(S) FOR RECOMMENDATION(S):

The City of Calgary Audit Committee oversees its governance responsibility with audit committees of The City's major autonomous civic entities and an annual report is requested each year.

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, 2018
4. Attachment 4 - The Calgary Public Library Board Financial Statements for the Year Ended December 31, 2018
5. Calgary Public Library 2019 – 2022 Strategic Plan
6. Risk Reports
 - a. Annual Risk report dated March 2019
 - b. Quarterly Risk Report dated April 2019
7. 2019 Audit and Finance Committee Work Plan
8. The Calgary Public Library PowerPoint Presentation to Audit Committee