

Report on Revised Annual Audit Plan Approach

EXECUTIVE SUMMARY

This report highlights a new approach supporting the development of the Annual Audit Plan by The City Auditor's Office (CAO) that is aligned with the Four Year – One Calgary Budget Cycle. This new approach will provide internal efficiencies and continue to support a risk based approach that provides agility to include emerging risks and alignment with changes occurring in Administration.

RECOMMENDATION:

1. That the Audit Committee receive this report for information.

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 is committed to delivering annual plans that fulfill our mission to provide independent and objective assurance, advisory and investigative services to add value to The City of Calgary and enhance public trust.

This assurance helps The City achieve its strategic, operational, financial, and compliance objectives. Overall, the audit and advisory work provided by the CAO acts as a catalyst for improving organizational effectiveness and efficiency by providing insight and recommendations on risk management effectiveness.

Every year the CAO prepares a risk based Annual Audit Plan for approval by Audit Committee and for information to Council. This annual plan determines the priorities of the internal audit activity and is consistent with the organization's goals while also being aligned with the Four Year – One Calgary Budget Cycle.

The CAO annual plan development process utilizes a risk based approach and is a critical deliverable to ensure audit resources are directed to the most significant areas of The City. This new annual planning approach is designed to improve internal efficiencies while still utilizing an appropriate risk based approach which is responsive to emerging risks while ensuring conformance to the International Standards for the Professional Practice of Internal Auditing. It has also been built to ensure the CAO can be agile in its resiliency against potential risks.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

N/A

Stakeholder Engagement, Research and Communication

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N/A

Strategic Alignment

The CAO assists Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Financial Capacity

Current and future operating budget:

N/A

Risk Assessment

The activities of the CAO serve to promote accountability, mitigate risk, and support an effective governance structure.

Providing transparency on the proposed annual planning approach for the City Auditor's Office (CAO) assists Audit Committee in their oversight role to understand how the CAO is meeting its mission to provide independent and objective assurance, advisory and investigative services that add value to The City of Calgary and enhance public trust.

REASON FOR RECOMMENDATION:

The Audit Committee reviews and approves the CAO annual work plan and ensures the combined work of the City Auditor and the External Auditor provides an appropriate level of audit coverage and is effectively coordinated (Bylaw 28M2012). As such, the Audit Committee should be informed on changes to the annual planning approach which could impact the annual work plan proposed.

ATTACHMENT

Report on Revised Annual Audit Plan Approach – AC2019-0899 ATT