

BYLAW 21111

City Auditor Bylaw

RECOMMENDATION

That Bylaw 21111 be given the appropriate readings.

Purpose

To establish the designated officer position of City Auditor and delegate powers, duties, and functions to the position.

Readings

Bylaw 21111 is ready for three readings

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 21111 be considered for third reading.”

Report Summary

This Bylaw replaces Bylaw 12424 City Auditor Bylaw. The new Bylaw is required to update the language and content of the bylaw, include an Internal Audit Charter, and comply with the Institute of Internal Auditors (IIA) Global Internal Audit Standards. The new bylaw proposes consequential amendments to the Audit Committee Bylaw, Bylaw 16097.

REPORT

The current City Auditor Bylaw, Bylaw 12424, was first passed by Council in 2000 and last updated in 2006. A new bylaw containing provisions required by the *Municipal Government Act* and other necessary provisions with an attached Internal Audit Charter is required in order to update the language and content of the bylaw and comply with the Institute of Internal Auditors (IIA) Global Internal Audit Standards.

The most significant change to the bylaw is the inclusion of the Internal Audit Charter. It is modeled after the IIA’s Model Internal Audit Charter and includes the following:

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- Purpose of the Office of the City Auditor
 - Purpose
 - Commitment to Adhering to the Global Internal Audit Standards
- Mandate
 - Authority
 - Independence, Organizational Position, and Reporting Relationships
- City Auditor Roles and Responsibilities
 - Ethics and Professionalism
 - Objectivity
 - Managing the Office of the City Auditor
 - Communication with Audit Committee
 - Quality Assurance and Improvement Program

Other significant changes between the current City Auditor Bylaw and the proposed new bylaw include:

- Defining the mandate of the Office of the City Auditor as providing all internal auditing activities for all programs and activities carried out by the City under the authority of the City Manager.
- Removing references to City Agencies and agencies, boards, and commissions.
- Requiring the individual appointed to the position of City Auditor to hold a Certified Internal Auditor designation.
- Confirming that the City Auditor's performance will be reviewed through the City Manager and City Auditor Performance Evaluation Committee.
- Confirming the importance of the Office of the City Auditor's objectivity.

The Bylaw also proposes consequential amendments to the Audit Committee Bylaw, Bylaw 16097, to align with the new City Auditor Bylaw and the IIA Global Internal Audit Standards, including:

- Requirement for City Council to approve the Office of the City Auditor's Annual Work Plan to align with City Auditor's accountability to Council per the Internal Audit Charter.
- Replace Peer Reviewer section with External Quality Assessment section to align with IIA Global Internal Audit Standards.

EXTERNAL QUALITY ASSESSMENT The Committee will review and approve the City Auditor's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:

- a. The scope and frequency of assessments.
- b. The competencies and independence of the external assessor or assessment team.

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- c. The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.

The Committee will review complete results of the external quality assessment or self assessment with independent validation directly from the assessor and may make recommendations to Council on any matter in the report.

The Committee will review and approve the City Auditor's action plans and timelines to address identified deficiencies and opportunities for improvement, if applicable.

- Update Reports section to align with the new Internal Audit Charter

REPORTS The Committee will review all reports from the City Auditor which will include reports dealing with:

- a. Completed audits and investigations
- b. Implementation of audit recommendations
- c. Restrictions on the scope, access, authority, or resources that limit the City Auditor's ability to carry out their responsibilities effectively
- d. Progress towards completion of the City Auditor's Annual Work Plan
- e. Issues respecting the City Auditor's mandate as established in the City Auditor's Bylaw
- f. The Office of the City Auditor's compliance with the Global Internal Audit Standards
- g. Results of the City Auditor's quality assurance and improvement program
- h. Effectiveness and efficiency of the internal audit function in relation to its performance objectives
- i. Budget and staffing of the Office of the City Auditor

ATTACHMENT

1. Bylaw 21111 - City Auditor Bylaw

OTHERS REVIEWING THIS REPORT

- M. Plouffe, Chief People Officer and City Solicitor