1. **OFFICE OF THE AUDITOR GENERAL – QUALITY ASSURANCE REVIEW REPORT**

   BUREAU DE LA VÉRIFICATRICE GÉNÉRALE – RAPPORT D'EXAMEN DE L'ASSURANCE DE LA QUALITÉ

COMMITTEE RECOMMENDATION

That Council receive the Quality Assurance Review Report with Independent Validation.

RECOMMANDATION DU COMITÉ

Que le Conseil prenne connaissance du Rapport sur l'examen de l'assurance de la qualité avec validation par un tiers indépendant.

DOCUMENTATION/DOCUMENTATION

1. Auditor General's report, dated September 17, 2021 (ACS2021-OAG-BVG-009)

   Rapport de la Vérificatrice générale, daté le 17 septembre 2021 (ACS2021-OAG-BVG-009)

2. Extract of draft Minutes, Audit Committee – September 28, 2021.

   Extrait de l'ébauche du procès-verbal, Comité de la vérification, le 28 septembre 2021.

Report to
Rapport au:

Audit Committee
Comité de la vérification
28 September 2021 / 28 septembre 2021

and Council
et au Conseil
13 October 2021 / 13 octobre 2021

Submitted on September 17, 2021
Soumis le 17 septembre 2021

Submitted by
Soumis par:
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE   **File Number**: ACS2021-OAG-BVG-009

SUBJECT: **Office of the Auditor General – Quality Assurance Review Report**

OBJET: **Bureau de la vérificatrice générale – Rapport d'examen de l'assurance de la qualité**

REPORT RECOMMENDATION

That the Audit Committee recommend Council receive the Quality Assurance Review Report with Independent Validation.

RECOMMANDATION DU RAPPORT

Que le Comité de la vérification recommande au Conseil de prendre connaissance du Rapport sur l'examen de l'assurance de la qualité avec validation par un tiers indépendant.

BACKGROUND

As outlined in the Auditor General By-law No.2021-5, the Auditor General shall "*establish protocols and procedures that are necessary for the conduct of approved audits, consistent with the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Auditing (The Standards) and changes to these standards from time to time, except requirements applicable to consulting services*". The *Standards* include principles and requirements for undertaking professional auditing and for evaluating audit performance. The Standards apply to individual auditors and audit functions, and heads of audit are accountable for the overall conformance with the *Standards* within their team.

The *Standards* require that the Auditor General develop and maintain a quality assurance and improvement program that covers all aspects of the audit activity. That program calls for both internal (self-assessment) and external assessments. In particular, external assessments are required to be conducted at least once every five years by a qualified independent assessor or assessment team from outside the organization. The last external assessment was conducted in 2011 and reported to the Audit Sub-Committee in 2012.

Motion No.46/2, approved on December 18, 2020 at a Special City Council meeting, directed the Chair of Audit Committee to work with the new Auditor General and the Chief Procurement Officer, to bring forward to the Audit Committee by April 2021 a proposed approach based on current best practices and timelines to undertake the next independent Quality Assurance Review of the Office of the Auditor General within the first year of the new Auditor General's Mandate.

In May 2021, Council approved the OAG's proposed approach and timeline to conduct a self-assessment and contract Deloitte LLP to perform an independent external validation.

AUDIT COMMITTEE
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13 OCTOBER 2021

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COMITÉ DE LA VÉRIFICATION
RAPPORT 12
LE 13 OCTOBRE 2021

DISCUSSION

Following the May 2021 Council meeting, the OAG commenced the self-assessment with the main objectives of:

- Assessing the OAG's conformance with the *Standards* and the IIA Code of Ethics; and

- Identifying successful audit practices and opportunities for continuous improvement to enhance the efficiency and effectiveness of the infrastructure, processes, and the value to its stakeholders.

Deloitte validated the results of the OAG's self-assessment. Their main focus was to validate the OAG's conclusion related to conformance with the *Standards* and the IIA Code of Ethics. They also reviewed the OAG's observations related to successful audit practices and opportunities for continuous improvement.

Details of the self-assessment and independent external validation can be found in Document 1.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

As this is considered an internal administrative matter, no public consultation was undertaken.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide issue.

ADVISORY COMMITTEE(S) COMMENTS

This section does not apply, as this is a city-wide administrative report**.**

LEGAL IMPLICATIONS

There are no legal impediments to the Audit Committee and Council considering this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

This report supports the Term of Council Priority related to Governance, Planning and Decision Making.

SUPPORTING DOCUMENTATION

Document 1 - Office of the Auditor General: Quality Assurance Review Report with Independent Validation

Document 1 - Bureau de la vérificatrice générale : Rapport d'examen de l'assurance de la qualité avec validation par un tiers indépendant

DISPOSITION

The Office of the Auditor General will proceed according to the direction of the Audit Committee and Council in considering this report.