



CITY OF HAMILTON
City Manager's Office
Audit Services

TO:	Chair Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 19, 2015
SUBJECT/REPORT NO:	Audit Services Charter (AUD15006) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ann Pekaruk 905-546-2424 x4469
SUBMITTED BY:	Ann Pekaruk Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

That Appendix "A" of report AUD15006 respecting the Audit Services Charter, be approved.

EXECUTIVE SUMMARY

The purpose, authority and responsibility of Audit Services is defined in a charter. The Audit, Finance and Administration Committee should review and approve the charter periodically. The beginning of a new term of the Committee presents an opportune time for such a process to occur.

Alternatives for Consideration – No approved charter. See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: None.
Staffing: None.
Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

An audit mandate was last reviewed and approved by the Audit, Finance and Administration Committee in 2011. An operational review of Internal Audit conducted in 2005 recommended that the mandate be reviewed and taken for approval to Council at the commencement of each new term of Council.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None.

RELEVANT CONSULTATION

The International Standards for the Professional Practice of Internal Auditing and best practices highly recommend an audit charter.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION
(Include Performance Measurement/Benchmarking Data if applicable)**

Providing a formal, written document containing the charter of the audit activity is very important in managing the auditing function within the organization.

The purpose, authority and responsibility of the audit activity is defined in the charter. The charter establishes Audit's position within the City structure, authorizes access to records, personnel and physical properties relevant to the performance of audits/reviews and investigations and defines the scope of internal and performance audit work. The charter can be used by management and Council in evaluating the operations of the function. If a question should arise, the charter also provides a written record with Council approval about the role and responsibilities of the audit activity within the City.

The Audit, Finance and Administration Committee should periodically assess whether the purpose, authority and responsibility as defined in the charter continues to be adequate to enable the audit activity to accomplish its objectives. Each new term of Committee and Council provides an opportunity to approve the charter.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

Having no approved audit charter is an alternative. However, it is not recommended as there is a need for defined audit activity where roles and responsibilities are authorized in a public document, namely a charter.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD15006

ap:jg