2025 Annual Report Internal Audit Steering Committee

March 25, 2026
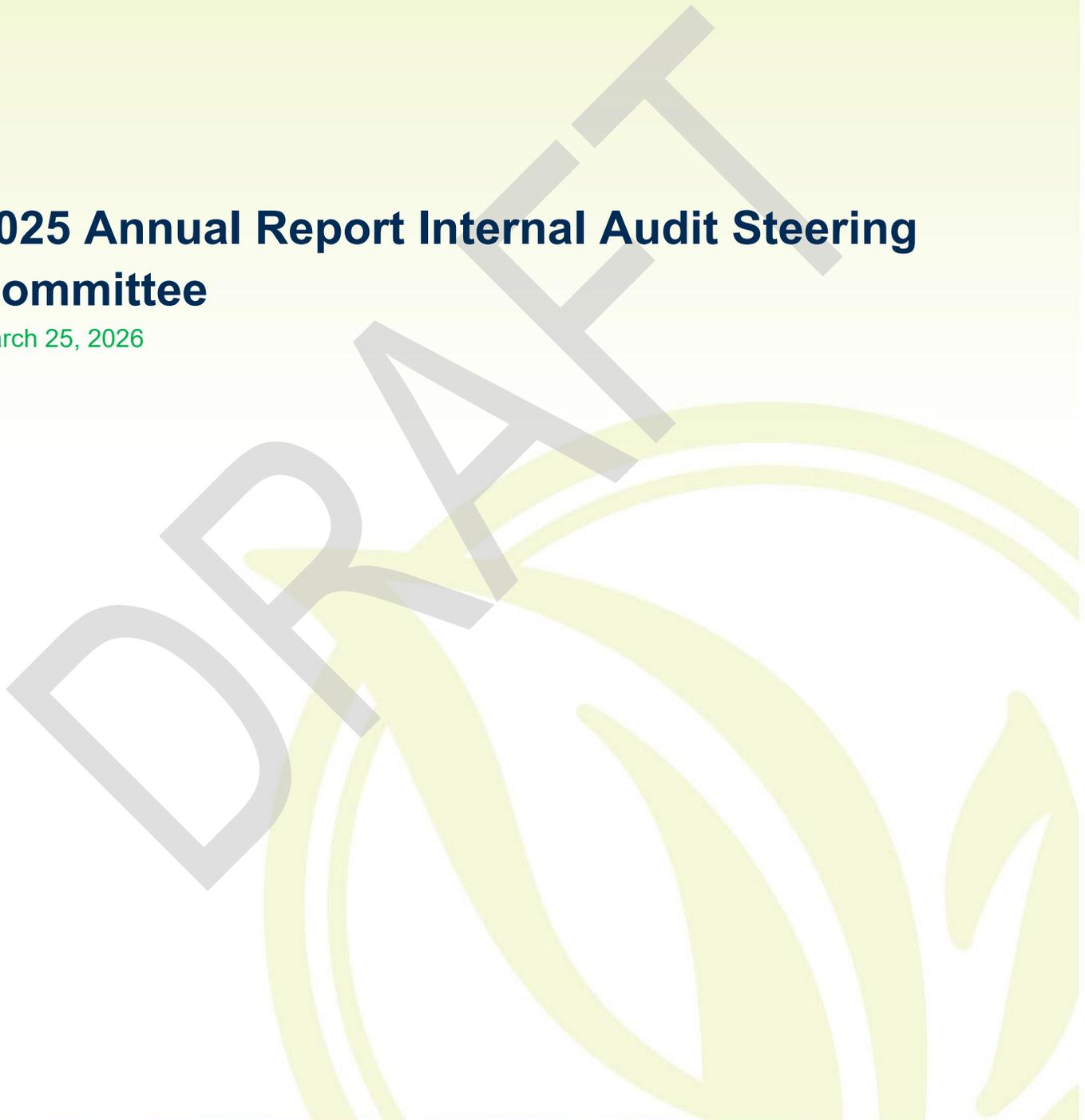
stalbert.ca

City of St.Albert
Cultivate Life

TABLE OF CONTENTS

INTRODUCTION

As per Bylaw 24/2023 Internal Audit Steering Committee (IASC), the annual report provides progress updates on the IASC activities to Council.

In 2025, the IASC met twice. It also saw changes in membership near the end of the year resulting from membership terms ending and turnover in the municipal election. Throughout the year, the IASC initiated a new audit, completed an audit, and monitored two audits through presentations and discussion. Two additional implementations have been added to the IASCs workload as a result of Council motions.

More detail on these activities is available in the report below.

About the Committee

The mandate of the IASC is to:
- provide input to improve internal audit efficiency, effectiveness, economy, policy compliance, risk management and controls;
- provide advice on strategy and governance issues related to managing risks;
- provide input for the internal audit function at the City;
- provide input to Administration for the identification, assessment, and mitigation of key corporate risks; and
- ensure independence and objectivity of the Internal Audit Service Provider.

The IASC meets this mandate by:

Reviewing and Providing Input to Administration	Recommending to City Council	Committee Decision-making
• City's Corporate Risk Register • Multi-Year Audit Workplan • Status Updates and Implementation Progress Reports • Evaluate adequacy of internal audit resources • Continuous improvement opportunities	• Multi-Year Audit Workplan • Budget required to fulfill IASC's mandate • Continuous improvement opportunities • Other recommendations resulting from Committee business, as required	• Approve all internal audits and related services within budget • Appoint an Internal Audit Service Provider • Establish sub-committees • Approve Scope of Work of Audits

Source: Bylaw 24/2023

Table 1 Internal Audit Steering Committee Roles and Responsibilities

Committee Membership

In 2025, the IASC membership was as follows:

Council Committee Members	Public Committee Members
• Councillor Wes Brodhead* • Councillor Sheena Hughes (Chair) • Councillor Ken MacKay (Vice-Chair)	• Steve Cribb • Brian Donahue*

Table 2 IASC Committee Membership (2025)

2025 marked the end of the term for one committee member (starred above). Council appointed a new public committee member (Steve Mikus) through the 2026 Public Appointments to St. Albert Civic Agencies and Quasi-Judicial Boards process.

As a result of the municipal election in the fall of 2025, one of the Council committee member seats became vacant (starred above) and was filled with Mayor Scott Olivieri at the Annual Organizational Meeting held in October 2025. No meetings were held after the Mayor's appointment.

Committee Meetings

In 2025, the IASC met in April and September. During those two meetings, the IASC:

- received progress updates on current audit implementation projects
- provided input into the update of the Community Vision and Pillars of Sustainability
- reviewed the updated IASC Multi-year Workplan
- reviewed the Corporate Risk Register
- reviewed workplans for upcoming audit implementations
- endorsed the scope of work for the Data Governance Practice review
- received the final report on the Resource Planning Model review, and
- made recommendations to City Council.

PROGRESS UPDATE

The Internal Audit Steering Committee oversees projects related to three phases of audit work: planning, auditing in progress, and implementation.

In 2025, there were nine (9) projects identified in these phases.

Planned	In Progress (2025)	Implementation
- Data Governance (2026) - Managing Aging Infrastructure (2027) - Assessment of Digital Transformation Approach (2028) - Servus Place Operational Review (Emergent – 2026)	Resource Planning Model Review	- Procurement Audit - Cyber Security Audit - Planning and Development Process Improvement* - Standardize Capital Project Office Management Practices & Processes*

* Added to the scope of work overseen by the IASC by Council Motion in 2025.

Table 3 IASC Multi-year Workplan and Implementations (2025)

The following section provides summary updates on the Multi-year Workplan Implementation projects active in 2025.

Multi-year Workplan – 2025 Audits in Progress

Resource Planning Model Review

The review of the City's resource planning model was completed and the report of its findings was presented to the IASC in September 2025 and City Council in November 2025. A total of 6 recommendations were identified including topics such as: standardized tactical resource planning, revising budgeting policy, transfer of recruitment responsibilities, formalizing the workforce strategy, and strengthening data integration maturity.

City Council approved two motions to proceed: the first regarding a business case to centralize non-permanent talent acquisition responsibilities for the 2027 budget, and the second for proposed updates to Council Policy C-FS-05 Budget and Taxation Guiding Principles and a case study of how the City's budget process would be impacted if individual positions were not presented to Council for decision.

The execution of the implementation plan for the review has just begun and is expected to continue through to the end of 2028.

Multi-year Workplan - Implementations

Procurement Audit Recommendations Implementation

Since the audit was completed in 2019, 5 recommendations were completed, 8 are in progress and 7 are planned for future years.

In 2025, the team focused on aligning the audit with the procurement function's evolution and ensuring recommendations support operational effectiveness. The timeline was adjusted to account for the reprioritization of subject matter experts toward urgent operational requirements and the refinement of data-gathering workflows.

Key accomplishments include:

- Evaluation of training requirements for new procurement procedures began in Q1 and continued through the year.
- Updated contract management processes, including the directive, protocols, and business processes, were presented to the leadership team
- Contract Management directive was finalized and submitted for legal review.
- Finishing documentation of business processes for training and establishing alignment with operations has been the focus for the project team.

Cyber Security Audit Recommendations Implementation

In 2025, the Cyber Security Team developed the City of St. Albert's Cyber Security Program, outlining governance, roles and responsibilities, and measures for prevention, detection, and response.

To action this program, a three-year cyber security roadmap was created, with the first year focused on addressing high-priority findings from the audit. The IT Mid-Range Department Plan also identified strategies and tactics to enhance the City's cyber security and data protection practices. Progress was also made in strengthening vulnerability management, the IT risk register, and related remediation activities.

Planning and Development Process Improvement

In late 2024, City Council approved a new Land Use Bylaw, and the City was awarded Housing Accelerator Funding (HAF) through Canada Mortgage and Housing Corporation (CMHC). As a result, implementation efforts in 2025 focused on advancing HAF priorities, improving processes related to the new Land Use Bylaw (LUB), and aligning recommendations from the KPMG report. Key areas of focus included enhancements to the e-permitting platform, development of process documentation, improved internal and external communication, and continued progress on process digitization. Projects of note include:

- Launch of the new digital version of the LUB,
- Updates to all digital application forms for improved communication and incorporation of plain language,
- Procured an e-permitting software program,
- Soft launched 10 e-permits, achieving the contractual required goal of HAF's Electronic Building Permit Processing Program initiatives,
- Documentation of processes and steps regarding permit types,
- Staff participation in the Province of Alberta's MGA/Safety Codes Permitting Process Automatic Yes project, and
- Staff undertook LEAN Six Simga training (late 2024).

Standardize Capital Project Office Management Practices & Processes

A study was completed in 2024 to help the City identify opportunities to implement more consistent practices and processes for Capital Project Management. This report identified 8 opportunities to strengthen project management maturity for the City of St Albert. These opportunities focus on:

- earlier project intake,
- standardized practices and templates,
- resourcing and competency alignment,
- clearer roles and responsibilities,
- improved compliance,
- refined delegation of authority,
- structured stakeholder feedback, and
- future procurement of project management software to enhance consistency, efficiency, and service quality.

These opportunities have been reviewed, and the project team are currently developing a plan for implementation. This planning effort includes validating recommendations and establishing priorities. Internal workshops are being organized to assist with shaping and informing these decisions. Accomplishments to date include:

- advancing the project by engaging executive leadership and the broader leadership team through detailed presentations and discussions that confirmed the overall approach;
- ongoing project manager competency assessment and growth through existing annual performance management and learning plan processes
- minor updates to existing tools/templates have been initiated

At this time, the work is proceeding without dedicated additional resources, which will extend the timelines originally anticipated in the 2024 study. Further progress can be reported once an implementation plan is further developed and accepted.

LOOKING AHEAD: 2026 PLANNED AUDITS

As shown in above (Table 3), there are two audits in the Multi-Year Audit Workplan slated to be undertaken in 2026. Progress made preparing for these audits is provided below.

Data Governance Practice Review

In 2025, the request for proposals for the data governance practice review was developed and posted. The evaluation of all bids was completed before the end of the year with a presentation being brought to the Internal Audit Steering Committee in early 2026 for endorsement.

This work will continue in 2026.

Servus Credit Union Place Operations Review

In 2025, City Council passed a motion for a review of Servus Credit Union Place (Servus Place) operations. It was also directed that this work be overseen by the Internal Audit Steering Committee. As a result, this audit has been added to the IASC Multi-year Workplan.

Work will begin on actioning this audit request in 2026.