

## CITY OF ST. ALBERT

### BYLAW 25/2016

Being a bylaw to establish and set forth the duties and responsibilities the position of Internal Auditor and the Internal Audit Steering Committee

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#### WHEREAS

- pursuant to section 280 of the *Municipal Government Act* RSA 2000, c. M-26.1, Council must appoint one or more External Auditors whose primary function it is to review and report on the municipality's annual financial statements and financial information return, and in the course of that review, to report to Council any transactional and legislative compliance anomalies;
- separate and distinct from the mandatory appointment of the External Auditor, Council wishes to establish an internal "program auditor" position focused on the review of specific City programs as directed by Council;
- pursuant to section 210 of the *Municipal Government Act* Council may, by bylaw, establish a position to carry out the powers, duties and functions of a designated officer;
- pursuant to section 203 of the *Municipal Government Act*, Council may by bylaw delegate any of its powers, duties and functions to a designated officer or a Council committee, except for those functions prescribed to be within the exclusive purview of Council;
- Section 145 of the *Municipal Government Act*, R.S.A. 2000, c.M-26, Council may pass bylaws in relation to the establishment and functions of Council committees, and the procedure and conduct of Council committees;

NOW THEREFORE the Municipal Council of the City of St. Albert, duly assembled, hereby ENACTS AS FOLLOWS:

#### INTERPRETATION

1. In this Bylaw,
  - (a) "Administration" means the general operations of the City, including all personnel, financial and other related resources responsible for carrying out operations. For the purposes hereof, "Administration" does not include Council or the operations and position of the Internal Auditor;

- (b) "Bylaw" means this Internal Auditor and Internal Audit Steering Committee Bylaw, and any amendments thereto;
  - (c) "Committee" means the standing committee of Council known as the Internal Audit Steering Committee, established in accordance with this Bylaw;
  - (d) "City" means the City of St. Albert;
  - (e) "City Manager" means the individual appointed by Council as the City's Chief Administrative Officer;
  - (f) "Council" means the municipal council of the City of St. Albert;
  - (g) "Councillor" means a member of Council, including the Mayor;
  - (h) "External Auditor" means the Person appointed in accordance with section 280, of the *Municipal Government Act*;
  - (i) "Internal Auditor" means the Person appointed by Council, in accordance with this Bylaw, to serve as the City's Internal Auditor;
  - (j) "Mayor" means the chief elected official of the City;
  - (k) "Member" means an individual appointed as a member of the Committee;
  - (l) "Person" includes an individual, partnership, association, corporation, trustee, executor, administrator or legal representative; and
  - (m) "Program" means a function, activity or process related to the delivery of existing or proposed City services, whether provided or undertaken by Administration, committee of Council, or independent 3<sup>rd</sup> party.
2. The marginal notes and headings in this bylaw are for reference purposes only.

### **DESIGNATED OFFICER**

3. The position of designated officer for the purpose of Program auditing is established, and the appointee will have the title "Internal Auditor."

### **APPOINTMENT OF INTERNAL AUDITOR**

4. (a) Council may appoint an Internal Auditor by resolution and subject to this Bylaw, must establish the terms and conditions of such appointment.

- (b) The Internal Auditor must be, or must include as a member of its appointed team, a designated Certified Internal Auditor (“CIA”).
- 5. The Internal Auditor is an independent contractor not bound to City policy or Administrative Directive unless otherwise indicated by written agreement.

## **INDEMNITY**

- 6. The City will indemnify the Internal Auditor for claims related to the Internal Auditor’s work, provided that the Internal Auditor acts within the course and scope of the role, and acts in good faith to comply with any applicable bylaw, statute or enactment.

## **ACCOUNTABILITY**

- 7. Notwithstanding Bylaw 13/2002, *City Manager Bylaw*, the Internal Auditor is accountable to Council for the exercise of all powers, duties, and functions assigned to the Internal Auditor.

## **ROLES AND RESPONSIBILITIES**

- 8. The Internal Auditor is responsible for all Program audit activities, which as specifically detailed by written agreement and by direction of Council from time to time, include:
  - (a) providing an independent review of, and guidance with respect to, Programs with a focus on efficiency, effectiveness, economy, policy compliance and risk control considerations; and
  - (b) evaluating and advising on corporate strategy and governance processes and issues.
- 9. The Internal Auditor must prepare a workplan for Committee review and approval, and subject to Committee or Council direction, may determine the appropriate methodologies and service delivery options necessary to discharge responsibilities.
- 10. Subject to budgetary approval, the Internal Auditor may procure contracted services as may be necessary for the discharge of responsibilities.
- 11. The Internal Auditor must follow international standards for the professional practice of internal auditing, and must consult with the External Auditor to ensure no duplication of services.

## **RELATIONSHIP WITH THE CITY MANAGER**

- 12. The Internal Auditor will engage in open communication with the City Manager at all times.

13. The City Manager:
- (a) may recommend to Council from time to time that the Internal Auditor's scope of work, as directed by Council, include particular matters of interest; and
  - (b) will provide information, as required further to the Internal Auditor's responsibilities, and will facilitate the Internal Auditor's communications with Council, however the Internal Auditor's role must not conflict with those of the City Manager as articulated by legislation, bylaw or Council policy.
14. The Internal Auditor must not perform operational duties for the City, and must not direct the activities of any Employee, including the City Manager, except to the extent that an Employee has been assigned by the City Manager to auditing teams or to otherwise assist the Internal Auditor.

### **FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT**

15. Without limiting the applicability of Section 13, the establishment of the position of Internal Auditor does not effect the City Manager's continuing responsibilities as the Head of "FOIPP" as designated in accordance with the *Freedom of Information and Protection of Privacy Act* RSA 2000 c. F-25.
16. The Internal Auditor will respect and comply with the City's obligations and administrative structure under the *Freedom of Information and Protection of Privacy Act*.

### **REPORTING TO COUNCIL**

17. In accordance with the Internal Auditor's approved workplan, the Internal Auditor will report to Council regarding:
- (a) the City's exposure to and management of strategic, business, and operational risks;
  - (b) the efficiency and effectiveness of City policy and operations;
  - (c) the level of commitment to the principles of continuous improvement;
  - (d) the implementation of any recommendations; and
  - (e) other operational and governance matters as required by Council.

### **COMMITTEE ESTABLISHMENT**

18. The Committee is hereby established as the Internal Audit Steering Committee.

## **COMMITTEE ROLES AND RESPONSIBILITIES**

19. Functioning in the context of the appointment, or proposed appointment, of an Internal Auditor, the Committee will
  - (a) establish contractual terms and selection criteria for the position of Internal Auditor, and make related recommendations to Council;
  - (b) make recommendations to Council regarding the specific areas of review and consideration by the Internal Auditor;
  - (c) review and approve the Internal Auditor's workplan as it relates to the Internal Auditor's specific mandate set by Council;
  - (d) periodically request and receive interim reports from the Internal Auditor and Administration on matters relating to the Internal Auditor's mandate; and
  - (e) make decisions on matters delegated to the Committee by Council.
20. The Committee may send the report(s) referenced in Section 19 to Council, with or without recommendations, or request additional information about matters relating to the report(s) before sending the report(s) to Council.

## **SUB-COMMITTEES**

21. The Committee may create sub-committees of its Members and further delegate some or all of its powers, duties, or functions to a sub-committee.

## **APPOINTMENTS AND MEMBERSHIP**

22. The Committee is comprised of the following Members:
  - (a) the Mayor;
  - (b) two (2) other Councillors appointed by Council; and
  - (c) two (2) public Members appointed by Council.

## **TERM**

23. Upon appointment, the terms of membership shall be as follows:
  - (a) Councillors other than the Mayor shall serve for
    - i. the duration of their respective terms of office on Council; or

- ii. two (2) years,  
whichever period is shorter; and

- (b) public Members shall serve at the pleasure of Council for terms of up to two (2) years.
24. Except where a Member is appointed to fill a membership vacancy, each Member's term takes effect on January 1<sup>st</sup> of the effective year of appointment.
25. A Member is eligible for re-appointment at the end of the Member's term of service on the Committee.

### **VACANCIES**

26. If a Member vacates his or her membership on the Committee during that Member's Term, Council must appoint a replacement Member.
27. A replacement Member serves for the remainder of the vacating Member's Term.

### **NON-VOTING PARTICIPANTS AND ATTENDEES**

28. The City Manager and the Internal Auditor
- (a) may attend any regular Committee meeting, including any *in camera* session;
  - (b) may act as discussion facilitators and information resources for Members;
  - (c) may not make motions or vote on any issue before the Committee; and
  - (d) in the City Manager's case, may act as Committee coordinator and meeting secretary as may be required by the Committee.
29. A Member may invite an interested party to speak to an issue before the Committee but the Interested Party may not make motions or vote on any issue before the Committee.
30. Any Councillor may attend any regular Committee meeting, but may not debate, make motions or vote on any issue before the Committee.
31. Individuals other than Members may be permitted to attend an *in camera* session of the Committee at the discretion of the Committee.

### **QUORUM, MEETINGS AND RULES OF PROCEDURE**

32. A quorum at any Committee meeting shall be two (2) Members.
33. On an annual basis the Committee shall designate Members to serve as Chair and Vice Chair, to act in the Chair's absence.
34. The Chair may call for a meeting of the Committee at any time. If the Chair is unwilling or unable to call a meeting of the Committee, Council, by resolution, may call a meeting of the Committee.
35. The Chair shall be the spokesperson for the Committee.
36. The precedence of the rules governing the procedures of the Committee is as follows, from high to low:
  - (a) the *Municipal Government Act*, associated *Regulations* or other applicable legislation;
  - (b) this Bylaw;
  - (c) the *Procedure Bylaw*;
  - (d) Committee terms of reference, if any;
  - (e) Council- or City Manager-approved policies, procedures and guidelines specifically applicable to the Committee;
  - (f) *Robert's Rules of Order, Newly Revised*.
37. This Bylaw may be referenced as the "Internal Auditor and the Internal Audit Steering Committee Bylaw".