

# CITY OF ST. ALBERT

## BYLAW 24/2023

### INTERNAL AUDIT STEERING COMMITTEE BYLAW

#### A Bylaw to establish and set forth the duties and responsibilities of the Internal Audit Steering Committee

WHEREAS, section 145 of the Act, empowers a council to create council committees and prescribe their functions and procedures; and

WHEREAS it is deemed advisable to create a standing council committee in St. Albert to be known as the Internal Audit Steering Committee with functions and procedures as set forth in this bylaw;

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

#### TITLE

1. This Bylaw may be referred to as the “Internal Audit Steering Committee Bylaw”.

#### DEFINITIONS

2. In this Bylaw:

- a. “Act” means the *Municipal Government Act*, R.S.A., 2000, c.M-26, associated regulations, and amendments thereto;
- b. “Administration” means the general operations of the City, including all personnel, financial, and other related resources responsible for carrying out operations. Administration does not include Council;
- c. “Chief Administrative Officer” or “CAO” means the individual appointed by Council to the position of Chief Administrative Officer under section 205 of the Act and pursuant to the *Chief Administrative Officer Bylaw*;
- d. “City” means the municipal corporation of the City of St. Albert, or where the context so requires, the area contained within the boundaries of the City of St. Albert;
- e. “Committee” means the standing committee of Council known as the Internal Audit Steering Committee, continued in accordance with this Bylaw;

- f. “Council” means the municipal Council of the City of St. Albert;
- g. “Councillor” means a member of Council, including the Mayor;
- h. “Internal Audit Service Provider” or “IASP” means the independent third-party service provider that is engaged by the City to assist in planning for and conducting internal audits in accordance with this Bylaw;
- i. “Mayor” means the chief elected official of the City;
- j. “Member” means an individual appointed as a member of the Committee;
- k. “Person” includes an individual, partnership, association, corporation, trustee, executor, administrator, or legal representative;
- l. “Risk Register” is a risk management tool that includes identified risks to the achievement of the priorities contained in Council’s Strategic Plan, the Corporate Business Plan, or the City’s operations. The Risk Register includes risk scoring, controls, and treatments to inform operational decision making, including risk management decisions; and
- m. “Work Plan” means the Internal Audit Steering Committee Multi-Year Audit Plan, which outlines key areas to be audited, the objectives to be achieved, and timing for each audit.

### **CONTINUATION OF COMMITTEE**

- 3. The standing committee of Council called the Internal Audit Steering Committee, previously established pursuant to Bylaw 25/2016, is hereby continued in accordance with the terms of this Bylaw.

### **COMMITTEE ROLES AND RESPONSIBILITIES**

- 4. The mandate of the Committee is to:
  - a. provide input to improve internal audit efficiency, effectiveness, economy, policy compliance, risk management and controls;
  - b. provide advice on strategy and governance issues related to managing risks;
  - c. provide input for the internal audit function at the City;

- d. provide input to Administration for the identification, assessment, and mitigation of key corporate risks; and
  - e. ensure independence and objectivity of the IASP.
5. The mandate of the Committee is not:
- a. to conduct internal audits or be directly involved in audit activities.
6. The Committee is authorized to:
- a. review and provide input on the Risk Register that informs the audits in the Work Plan;
  - b. review, provide input on, and recommend to Council approval of the Work Plan;
  - c. appoint the IASP for a certain duration of time or for certain audits on the Work Plan;
  - d. approve all internal audits and related services performed by the IASP within a Council-approved budget for the Committee and in accordance with the Work Plan;
  - e. receive reports from Administration and the IASP in support of fulfilling the Work Plan, including, scope of work for audits, status updates, audit findings and recommendations, and implementation progress reports;
  - f. evaluate the adequacy of internal audit resources, including budgets and resourcing plans for implementations of audit findings, and make recommendations to Council pertaining to them;
  - g. recommend to Council the budget approval required to fulfill the mandate of the Committee;
  - h. provide input to Administration, and recommend to Council for approval continuous improvement opportunities related to the internal audit practice and processes;
  - i. provide input into the prioritization of audit recommendations from the Work Plan for implementation and recommend to Council required resources and budget for implementation of audit recommendations;
  - j. establish sub-committees as required;

- k. recommend to Council any actions deemed appropriate by the Committee in accordance with this Bylaw; and
  - l. action any matters referred to the Committee by Council.
7. When the Committee receives a report from Administration or the IASP, it may:
- a. receive the report for information;
  - b. send the report to Council with or without recommendations, including budgetary recommendations to implement recommendations from an audit; or
  - c. request additional information from Administration or the IASP about matters in the report before sending it to Council, with or without recommendations, including budgetary recommendations.
8. The Committee shall report to Council once per year regarding the activities undertaken by the Committee during that year.

### **ADMINISTRATION ROLES AND RESPONSIBILITIES**

9. The CAO, or their designate, will:
- i. establish and maintain effective internal controls and manage risks to an acceptable level;
  - ii. act as a liaison between the Committee and the IASP;
  - iii. act as a liaison between the IASP and Administration to facilitate completion of internal audits;
  - iv. prepare the Risk Register for the Committee's information and input;
  - v. prepare the Work Plan for the Committee's review, input, and approval prior to Council approval;
  - vi. provide best advice to the Committee on procurements associated with retention of the IASP;
  - vii. engage an IASP, as appointed by the Committee, to conduct planned audits in accordance with the Work Plan;
  - viii. provide the IASP with free and unrestricted access to all City functions, records, property, and personnel pertinent to carrying out any internal audit

engagement pursuant to this Bylaw, subject to accountability for confidentiality and safeguarding of records and information;

- ix. coordinate activities required for an audit internally;
- x. not unduly influence the IASP;
- xi. recommend necessary budgets to the Committee associated with internal audits and implementation of internal audit recommendations;
- xii. manage the implementation of the approved Work Plan;
- xiii. manage the implementation of internal audit recommendations; and
- xiv. provide progress updates to the Committee.

### **COMMITTEE MEMBERSHIP**

10. The Committee is comprised of the following Members appointed by Council:

- a. three Councillors; and
- b. two public Members.

11. The term of Members shall be for two years.

12. Appointments of varying terms may be made at the discretion of Council in order to stagger the public Members' terms of office.

13. Each Member's term takes effect on January 1 of the effective year of their appointment, except where a Member is appointed to fill a membership vacancy or except as otherwise noted by Council.

14. Every new Member of the Committee must undergo new-Member orientation with the liaison from Administration prior to the first meeting of the calendar year.

15. A Member is eligible for re-appointment at the end of the Member's term of service on the Committee.

16. In order for members of the public to be eligible for membership on the Committee, they must:

- a. be residents of the City;
- b. not be employees or contractors of the City; and

- c. not be in a deemed or perceived conflict of interest.
- 16.1 Effective the January 1, 2025 term, preference will be given to public Members who have experience in and knowledge of financial and operational matters and governance roles.
- 17. If a Member vacates their membership on the Committee during that Member's term, Council must appoint a replacement Member.
- 18. A replacement Member serves for the remainder of the vacating Member's term.

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

- 19. The CAO and members of Administration:
  - a. may attend any 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 CAO's case, may assign an Administration liaison as Committee coordinator and meeting secretary as may be required by the Committee.
- 20. 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.
- 21. Any Councillor may attend any Committee meeting, but may not debate, make motions, or vote on any issue before the Committee.
- 22. 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**

- 23. A quorum at any Committee meeting shall be three Members.
- 24. The Committee shall meet at least three times per calendar year under the following conditions:
  - a. the first meeting of each calendar year will be held by the end of March;

- b. another meeting will be held no later than June 30; and
- c. the last meeting will be held no later than December 31.

25. The purposes of the meetings outlined in section 24 are as follows:

- a. during the first meeting of each calendar year, the Committee will:
  - i. designate one Member who is a Councillor as chair;
  - ii. designate one Member as vice-chair, to act in the chair's absence;
  - iii. establish a schedule for meetings of the Committee for the calendar year in accordance with section 24 of this Bylaw;
  - iv. review the Risk Register; and
  - v. review an existing draft Work Plan and recommend it to Council for approval, with or without recommendations;
- b. during the second meeting of each calendar year, the Committee will:
  - i. receive progress updates from Administration or the IASP regarding audits that are in progress or recommendations that are being implemented; and
- c. during the last meeting of each calendar year, the Committee will:
  - i. receive progress updates from Administration or the IASP regarding audits that are in progress or recommendations that are being implemented; and
  - ii. prepare and finalize the Committee's annual report to Council; and
  - iii. provide direction to Administration regarding scheduling the presentation of the annual report to Council.

26. In addition to section 24, the chair may call for a meeting of the Committee at any time.

27. The chair is responsible for:

- a. finalizing agendas for meetings of the Committee in consultation with Administration;

- b. calling additional meetings of the Committee in accordance with this Bylaw;  
and
- c. being the Committee spokesperson.

28. All meetings of the Committee shall be open to the public. The Committee may close all or part of their meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act*.

29. Public notice of meetings of the Committee shall be given by posting a notice on the City's website.

30. The precedence of the rules governing the procedures of the Committee is as follows, from high to low:

- a. the Act other applicable legislation;
- b. this Bylaw;
- c. the *Procedure Bylaw*;
- d. Committee terms of reference, if any;
- e. Council- or CAO-approved policies, procedures and guidelines specifically applicable to the Committee; and
- f. *Robert's Rules of Order, Newly Revised*.

31. If the Committee spends all Council-approved funds, then all work of the Committee is deemed to be suspended with the exception of the following:

- a. receiving progress updates, if any, on the implementation of recommendations from past audits; and
- b. recommending to Council that additional funds should be approved to support the mandate of the Committee

### **SEVERABILITY**

32. Should any provision of this bylaw be invalid, then the invalid provision shall be severed, and the remainder of this bylaw shall be maintained.

## EFFECTIVE DATE

33. This Bylaw comes into effect when it is passed.

## REPEAL OF BYLAW 25/2016

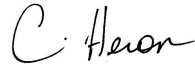
34. Bylaw 25/2016 is hereby repealed.

READ a First time this 21 day of November 2023.

READ a Second time this 21 day of November 2023.

READ a Third time this 21 day of November 2023.

SIGNED AND PASSED this 28 day of November 2023.



MAYOR



Marta Caulfield (Nov 18, 2023 09:31 MST)

CHIEF LEGISLATIVE OFFICER