

# Governance, Risk Management and Controls

PRESENTED BY

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# Purpose

- Internal Audit's service delivery initiatives and responsibilities include educating Council about risks associated with the City's programs and services
- Provide a foundation around governance, risk management and controls to level set and give context for quarterly Internal Audit reports to be delivered

# Effective Oversight



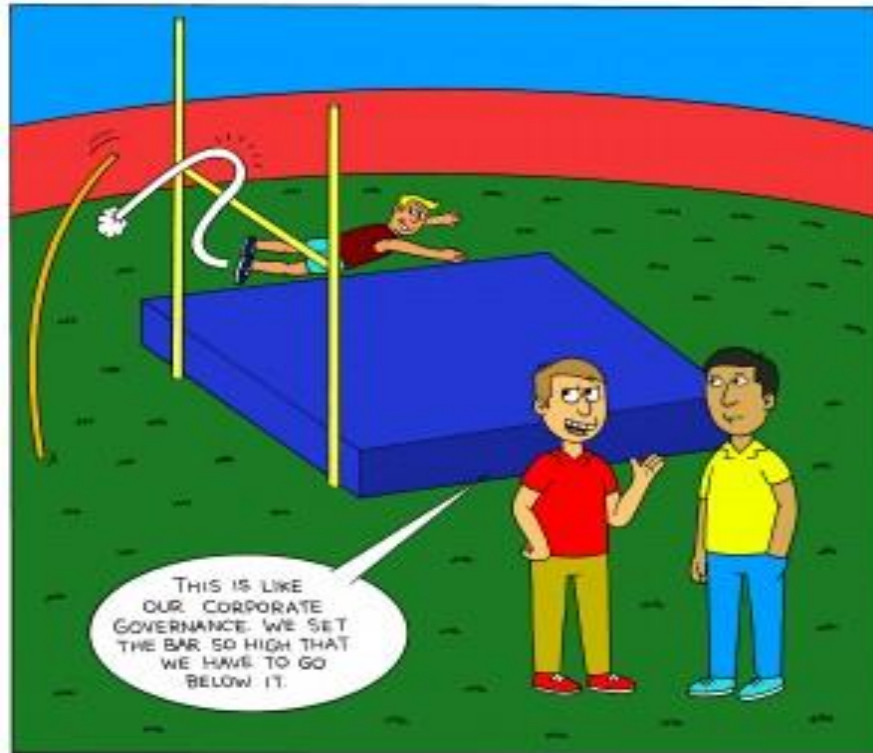
“Problems with some boards include: a lack of direction, poor accountability, lack of respect among members, pushing personal agendas, poor communication ...”

[www.healthcaregovernancereview.org](http://www.healthcaregovernancereview.org)

# Internal Audit/F&CS Committee

- Internal audit is an objective insider that can act as both management and the Committee's eyes and ears
- Maximizing the role of internal audit is an effective way to help the Committee address its risk oversight responsibilities

# Governance



# What is Governance?

- The combination of processes and structures implemented by the City to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives

# Internal Audit Activity - Governance

Assess and make recommendations to improve processes for:

- Making strategic and operational decisions
- Overseeing risk management and control
- Promoting appropriate ethics and values within the organization
- Ensuring effective organizational performance management and accountability
- Communicating risk and control information to appropriate areas of the organization
- Coordinating the activities of and communicating information among Council, external and internal auditors and management

# Risk Management





# What is Risk Management?

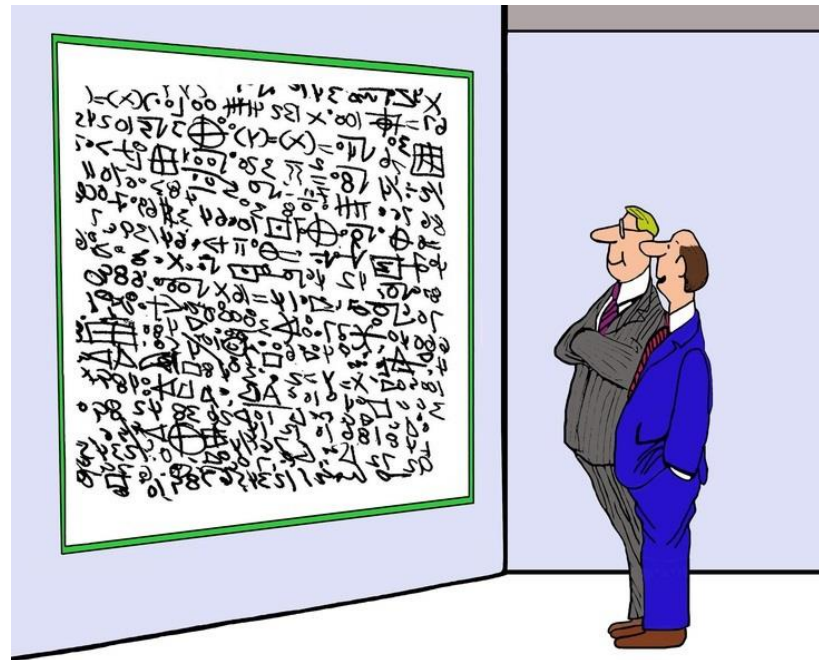
- Risk is the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.
- Risk management is a process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives

# Internal Audit Activity – Risk Management

Evaluation of effectiveness and contribute to the improvement of risk management processes by assessing whether:

- Organizational objectives support and align with the organization’s mission
- Significant risks are identified and assessed
- Appropriate risk responses are selected that align risks with the organization’s risk appetite
- Relevant risk information is captured and communicated in a timely manner across the organization enabling staff and Council to carry out their responsibilities

# Controls



**“When you put it like that, it makes complete sense.”**

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# What are Controls?

- Control is any action taken by management, Council and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved
- Control activities are the actions established through policies and procedures that help ensure management's directives to mitigate risks to the achievement of objectives are carried out

# Internal Audit Activity – Controls

Evaluating the effectiveness and efficiency of controls and promoting continuous improvement to ensure that:

- Organization’s strategic objectives are achieved
- Financial and operational information is reliable and possesses integrity
- Operations are performed efficiently and achieve established objectives
- Assets are safeguarded
- Actions and decisions of organization are in compliance with laws, regulations and contracts

# Where does this leave us?

- As the approved work plan is executed, Internal Audit will report the results of its work
- Internal Audit's work will support the Committee's oversight of governance, risk management and controls