

**Audit Resource Management Report to
Audit Committee
2020 January 24**

**ISC: UNRESTRICTED
AC2020-0065**

External Auditor 2018 Management Letter

EXECUTIVE SUMMARY

This is an update on identified matters that may be of interest to Administration on the 2018 Audit of the City of Calgary financials. These identified matters were not significant or material in nature.

ADMINISTRATION RECOMMENDATION:

That the Audit Committee:

1. Receives this Report and attachments for Information and the Corporate Record; and
2. Recommends that Council receive this Report and attachments for Information pursuant to Audit Committee Bylaw 48M2012, Schedule B, Section 1(f).

RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 JANUARY 24:

That Council receive this Report and Attachments for the Corporate Record pursuant to Audit Committee Bylaw 48M2012, Schedule B, Section 1(f).

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012 states that the Audit Committee, with respect to the External Auditor:

“Receives and reviews the External Auditor’s Management Letter(s), together with any Administration response, and forward, either in full or in summary, to Council for information.”

Schedule “B”, section 1(f)

Council received for information the External Auditor’s 2018 Management Letter, AC2019-0672 at the 2019 July 22 Combined Meeting of Council.

BACKGROUND

The External Auditor, Deloitte LLP, presented their External Auditor 2018 Management Letter, AC2019-0672, at the 2019 June 27 Regular Meeting of the Audit Committee. Audit Committee approved the following:

“Requests the External Auditor provide an update regarding the implementation status of the recommendations contained in the 2018 Management Letter (Attachment) at the 2020 January Audit Committee meeting;”

This report is the update on the implementation status of the recommendations as requested in Report AC2019-0672.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Deloitte’s assessment of Administration’s actions, the original findings, recommendations and Administration’s comments, are outlined in the attached letter dated 2020 January 15 from Deloitte LLP.

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Audit Committee should consider all recommendations made by the External Auditor and the responses from Administration to see if the recommendations have been appropriately implemented or responded to.

Stakeholder Engagement, Research and Communication

The letter is addressed to The City's Chief Financial Officer.

Strategic Alignment

This report and recommendations align with Council priority "A well run-city - Calgary's government is open, responsive, accountable and transparent, delivering excellent services at a fair price. We work with our government partners to ensure we have the tools we need".

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

The Audit Committee budget contains a line item for the external auditor fees and there are no budget implications for this Report.

Current and Future Capital Budget:

Not applicable.

Risk Assessment

There are potential non-material risks to the City of Calgary if the Deloitte recommendations are not appropriately implemented or responded to by Administration.

REASON FOR RECOMMENDATION:

The Audit Committee Bylaw 48M2012 requires the Audit Committee to receive and review the External Auditor's Management Letter Reports and to forward to Council for information.

ATTACHMENT

Deloitte LLP 2018 Management Letter Update