

**Audit Resource Management Report to  
Audit Committee  
2020 April 20**

**ISC: UNRESTRICTED  
AC2020-0433**

## **2019 External Auditor Year-End Report**

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### **EXECUTIVE SUMMARY**

This is the External Auditor, Deloitte LLP's annual year-end report to Audit Committee on the 2019 independent external audit of the consolidated financial statements of The City of Calgary.

#### **ADMINISTRATION RECOMMENDATION:**

That the Audit Committee:

1. Conduct a Closed Meeting discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2025 April 20;
2. Receive this Report and Attachment for the Corporate Record and consider them in conjunction with Report AC2020-0432, The City of Calgary 2019 Annual Report;
3. Direct that this Report and Attachment be forwarded to the 2020 April 27 Combined Meeting of Council as an item of Urgent Business;
4. Recommend that Council receives Report AC2020-0433, 2019 External Auditor's Year-End Report, and the Attachment, for the Corporate Record; and
5. Keep the Closed Meeting discussions with the External Auditor confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2025 April 20.

#### **RECOMMENDATION OF THE AUDIT COMMITTEE, 2020 APRIL 20:**

That Council receive the 2019 External Auditor's Year-End Report and attachment for the Corporate Record.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

The Audit Committee approved Report AC2019-0936, External Auditor 2019 Audit Service Plan and Fees at their 2019 July 23 Meeting, which was received for information by Council at their 2019 September 9 Combined Meeting.

The Audit Committee Bylaw 48M2012, states that Audit Committee:

“pre-approves all audit and non-audit services performed by the External Auditor. However, the Audit Committee Chair can pre-approve additional audit or non-audit services, performed by the External Auditor, up to \$25,000 total annually. Any approvals by the Chair will be reported to the Audit Committee as part of the Audit Committee Quarterly Status Report;”

Schedule “B”, Section 1(a)

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“in conjunction with Administration’s presentation of the annual financial statements, receive and review the External Auditor’s annual audit report. This report is to be forwarded to Council for information.”

Schedule “B”, Section 1(e)

### **BACKGROUND**

In accordance with the approved External Auditor’s 2019 Audit Service Plan, Deloitte LLP has completed their independent audit of the financial statements of The City of Calgary for the year ended 2019 December 31.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

This is an independent audit of the consolidated financial statements of The City of Calgary for the year ended 2019 December 31. The attachment summarizes the scope of the audit, the findings to date and reviews certain other matters of interest to the Audit Committee.

This Report should be forwarded as an Item of Urgent Business to Council at their 2020 April 27 Combined Meeting. This enables The City to meet the requirements of Section 276(3) of the *Municipal Government Act*, with respect to the deadline of May 1<sup>st</sup> for making the financial statements and auditor’s report of the financial statements available to the public.

### **Stakeholder Engagement, Research and Communication**

The External Auditor, Deloitte LLP, conducted an independent audit of the City of Calgary’s consolidated financial statements.

### **Strategic Alignment**

This report supports Council’s priority of a well-run City.

### **Social, Environmental, Economic (External)**

Not applicable.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

There is a line item in the Audit Committee budget for the service fees for the External Auditor.

#### **Current and Future Capital Budget:**

There are no capital budget implications for this Report.

### **Risk Assessment**

Council should receive the 2019 External Auditor’s Year-End Report at their 2020 April 27 Combined Meeting to meet the May 1<sup>st</sup> deadline established by Section 276(3) of the *Municipal Government Act* to provide the financial statements to the public.

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**REASON FOR RECOMMENDATION:**

The 2019 External Auditor's Year-End Report is to be received and reviewed by Audit Committee, in conjunction with Administration's presentation of the annual financial statements (The City of Calgary 2019 Annual Report, AC2020-0432), prior to being forwarded to Council.

**ATTACHMENT**

Attach - Deloitte, The City of Calgary, Report to the Audit Committee