

External Auditor – Performance of Assurance Procedures for Off-Site Levies

RECOMMENDATIONS:

That Audit Committee:

1. Approve the External Auditor's service proposals contained in Attachment 1 and Confidential Attachment 2 for the Off-Site Levies assurance procedures and reporting, including the selection of an option as outlined on Page 6 of Confidential Attachment 2;
2. Recommend Council's approval of the External Auditor's service proposals and the option selected in Confidential Attachment 2;
3. Recommend that Council approve the External Auditor's fees be funded from Corporate costs; and
4. Direct that Attachment 2, and the closed meeting discussions, remain confidential pursuant to Sections 24 (Advice from officials) and 26 (Testing procedures, tests, and audits) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2022 February 25.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2021 FEBRUARY 25:

That Council:

1. Approve of the External Auditor's service proposals and the option selected in Confidential Attachment 2;
2. Approve the External Auditor's fees be funded from Corporate costs; and
3. Direct that Attachment 2, and the closed meeting discussions, remain confidential pursuant to Sections 24 (Advice from officials) and 26 (Testing procedures, tests, and audits) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2022 February 25.

HIGHLIGHTS

- The External Auditor (Deloitte LLP) was directed by Audit Committee to return to the 2021 February 25 meeting with the timing, scope and fees associated with assurance procedures and reporting for their engagement with the Off-Site Levy Governance Committee and industry representatives.
- What does this mean to Calgarians? Citizens are aware that independent assurance procedures will be undertaken by the external auditor on concerns with off-site levies.
- Why does this matter? Calgarians should have confidence in City policies and processes. Industry concerns with off-site levies will be evaluated by an independent firm who will present recommendations for corrective action.
- The City collects off-site levies from developers to fund Calgary's growth-related infrastructure costs and is reviewing the off-site levy bylaw with plans to bring a new bylaw to Council in 2022.
- Industry representatives have expressed concerns with respect to off-site levy stewardship, governance, accounting and project management as outlined in their letter to Audit Committee dated January 26, 2021 (Attachment 3).
- Strategic Alignment to Council's Citizen Priorities: A well-run city

**Audit Resource Management Report to
Audit Committee**

**ISC: UNRESTRICTED
AC2021-0215
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- The Audit Committee was directed by Council, in Motion Arising PFC2021-0035, to engage with the Off-Site Levy Governance Committee and for the external auditor to evaluate the concerns raised by stakeholders (Attachment 4).
- At the January 28, 2021 meeting Audit Committee approved the motion made with respect to Verbal Report AC2021-0151 (Attachment 5).

ATTACHMENTS

1. Deloitte LLP Assurance Procedures on Off-Site Levy Balances, AC2021-0215
2. Confidential – Deloitte LLP Assurance Procedures – Audit Proposal on Off-Site Levy Balances, AC2021-0215
3. Letter dated January 26, 2021 from BILD and NAIOP
4. Motion Arising from PFC2021-0035, Strategy for a New Off-Site Bylaw
5. Motion from AC2021-0151, Off-Site Levies Update (Verbal)

Department Circulation

Councillor Evan Woolley	Chair, Audit Committee	Approve
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