

EXTERNAL AUDITOR 2015 MANAGEMENT LETTER

EXECUTIVE SUMMARY

Presentation of the annual Management Letter received from Deloitte LLP, The City's External Auditor for 2015, relating to the audit of The City's 2015 consolidated financial statements.

RECOMMENDATIONS

That the Audit Committee:

1. Requests the External Auditor to provide their annual report regarding the implementation status of the recommendations contained in the 2015 Management Letter at the 2017 January Audit Committee meeting;
2. Recommends that Council receives this Report for information; and
3. Directs that Attachment 2 and the In Camera discussions remain confidential pursuant to Sections 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATE 2016 JUNE 16:

That Council:

1. Receive Report AC2016-0499 for information; and
2. Keep Attachment 2 confidential pursuant to Sections 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

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

"receives and reviews the External Auditor's Management Letter(s), together with any Administration responses, and forward, either in full or in summary, to Council for information."

Schedule B, section 1(f)

BACKGROUND

The City's External Auditor, Deloitte LLP, has prepared their annual Management Letter to The City's Administration regarding identified matters that may be of interest to Administration as well as an update on matters identified during prior year end audits.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has reviewed and responded to each recommendation in the External Auditor's Management Letter and have also provided updates with respect to previous year findings and recommendations as applicable.

Audit Committee should consider ensuring that the recommendations made by the External Auditor are implemented after an appropriate interval of time, by directing that the External

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Auditor prepare a follow-up report for the Audit Committee's 2017 January Audit Committee meeting.

Stakeholder Engagement, Research and Communication

Administration has been asked to review and respond to the recommendations in the 2015 Management Letter. Administration and the External Auditor have discussed the observations, recommendations and responses.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

There are no budget implications for this report.

Current and Future Capital Budget:

There are no budget implications for this report.

Risk Assessment

Not applicable.

REASON FOR RECOMMENDATION:

This report is for information only and is provided pursuant to Schedule B, section 1(f) of the Audit Committee Bylaw 48M2012.

ATTACHMENTS

1. Deloitte LLP 2015 Management Letter
2. Legal Liability – 2015 Year End Update (Confidential)