

2016 EXTERNAL AUDITOR'S INDEPENDENCE LETTER

EXECUTIVE SUMMARY

This report provides the Audit Committee with the External Auditor's independence letter.

RECOMMENDATIONS:

The Audit Committee:

1. Receives this Report and Attachment for information; and
2. Recommends that Council receives this Report and Attachment for information.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2016 MAY 19:

That Council receives this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Regarding the External Auditor, The Audit Committee Bylaw states that Audit Committee:

"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)

The External Auditor provides an Independence Letter to the Audit Committee following the conclusion of their audit of the financial statements. A draft version of the independence letter was provided in Appendix 2 of the Attachment to Report AC2016-0289, 2015 External Auditor's Year-End Report at the 2016 April 16 Audit committee Meeting and was adopted by Council at their 2016 April 25 Regular Meeting.

BACKGROUND

In accordance with the approved External Auditor's Audit Plan, Deloitte LLP has completed their independent audit of the financial statements of The City of Calgary for the year ended 2015 December 31. At their 2016 April 25 Regular Meeting, Council adopted the recommendation contained in Report AC2016-0310 to approve the 2015 City of Calgary Annual Report.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Deloitte LLP is required to confirm their compliance with relevant ethical requirements regarding their independence, as well as all relationships and other matters between The City and Deloitte that, in their professional judgement, may reasonably be thought to bear on their independence. Deloitte is also required to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level. The External Auditor confirmed their independence pursuant to the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta as of 2016 April 25 (Attachment).

Corrie Smillie, Executive Assistant to the Audit Committee
City Clerk's: L. McDougall

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Stakeholder Engagement, Research and Communication

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

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 updates the Audit Committee on the External Auditor's independence.

ATTACHMENT

Deloitte LLP Annual Independence Letter dated 2016 April 25