

2015 EXTERNAL AUDITOR'S YEAR-END REPORT

EXECUTIVE SUMMARY

This is the External Auditor's annual year-end report to Audit Committee on the 2015 independent external audit of the consolidated financial statements of The City of Calgary.

RECOMMENDATIONS:

That the Audit Committee:

1. Conduct an In Camera discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24(1)(a), 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*;
2. Receive this Report and Attachment for information and consider them in conjunction with Report AC2016-0310, 2015 City of Calgary Annual Report;
3. Recommends that Council receives Report AC2016-0289, 2015 External Auditor's Year-End Report, and the Attachment, for information; and
4. Keep the In Camera discussions with the External Auditor confidential pursuant to Sections 24(1)(a), 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2016 APRIL 14:

That Council:

1. Receive Report AC2016-0289 and the Attachment for information; and
2. Keep Attachment 2 confidential pursuant to Sections 24(1)(a) and (h) and 25 of the *Freedom of Information and Protection of Privacy Act*.

Excerpts from the Minutes of the Regular Meeting of the Audit Committee dated 2016 April 14:

"And further, that the revisions contained in the Attachment as distributed be incorporated into the "2015 Year-end Audit Report, The City of Calgary" prior to being forwarded to Council.

CARRIED"

"DISTRIBUTION

At the request of the External Auditor and with the concurrence of the Chair, the Legislative Assistant distributed copies of a confidential document, with respect to Report AC2016-0289 which is to remain confidential pursuant to Sections 24(1)(a) and (h) and 25 of the *Freedom of Information and Protection of Privacy Act*."

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PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee approved Report AC2015-0766, External Auditor 2015 Audit Service Plan and Fees Report at their 2015 October 15 Regular Meeting. Council received the Report and Service Plan for information at the 2015 November 09 Combined Meeting.

At their 2016 February 18 Regular Meeting, the Audit Committee approved In Camera Report AC2016-0173, External Auditor 2015 Service Plan Update. Council received the Report and Attachment for information at their 2016 March 07 Combined Meeting.

The External Auditor's 2015 Year-End Audit Report, The City of Calgary, (Attachment), is the result of carrying out the 2015 Audit Service Plan as updated by Report AC2016-0173.

The Audit Committee Bylaw 48M2012, 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)

BACKGROUND

In accordance with the approved 2015 External Auditor's Service Plan, Deloitte LLP has completed their independent audit of the financial statements of The City of Calgary for the year ended 2015 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 2015 December 31.

This Report will be forwarded to Council for information at their 2016 April 25 Regular Meeting. This will enable The City to meet the requirements of Section 276(3) of the *Municipal Government Act*, with respect to the deadline of May 1st 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

Not applicable.

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 services of the External Auditor.

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Current and Future Capital Budget:

There are no budget implications for this Report.

Risk Assessment

Should Council not review the 2015 External Auditor's Year-End Report at their 2016 April 24 Regular Meeting there is a risk of missing the May 1st deadline established by Section 276(3) of the Municipal Government Act to provide the financial statements to the public.

REASON FOR RECOMMENDATION:

The External Auditor's 2015 Year-End Report is to be received and reviewed by Audit Committee, in conjunction with Administration's presentation of the annual financial statements (2015 City of Calgary Annual Report, AC2016-0310). This Report and Attachment is to be forwarded to Council for information.

ATTACHMENT

- 1. Revised Deloitte, 2015 Year-end Audit Report, The City of Calgary**
- 2. Confidential Distribution**