

EXTERNAL AUDITOR 2014 MANAGEMENT LETTER UPDATE

EXECUTIVE SUMMARY

This is an update on identified matters that may be of interest to Administration on the 2014 Audit of the City of Calgary financials. These identified matters were not significant or material in nature.

RECOMMENDATIONS:

That the Audit Committee:

1. Receives this Report and attachments for Information;
2. Recommends that Council receive this Report and attachments for Information; and
3. Directs that Attachment 2 to this Report and the In-Camera discussion remain confidential pursuant to Sections 24(1)(a), 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2016 JANUARY 21:

That Council:

1. Receive this Report and **Revised Attachment 1 and Attachment 2** for Information;
2. Direct that Attachment 2 to this Report remain confidential pursuant to Sections 24(1)(a), 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, with respect to the External Auditor:

“Receives and reviews the External Auditor’s Management Letter(s), together with any Administration response, and forward, either in full or in summary, to Council for information.”

Schedule “B”, section 1(f)

Council received for information the External Auditor’s Management Letter for the 2014 Audit at the 2015 June 29 Regular Meeting of Council.

BACKGROUND

The External Auditor, Deloitte LLP, presented their External Auditor 2014 Management Letter, AC2015-0529, at the 2015 June 18 Regular Meeting of the Audit Committee. Audit Committee approved the following:

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- “1. Request that the External Auditor provide their annual report regarding the implementation status of the recommendations in its 2014 Management Letter at the 2016 January Audit Committee Meeting.
2. Recommends that Council receive this Report for information; and
3. Directs that Attachment 2 and discussions regarding Attachment 2 remain confidential pursuant to Sections 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.”

This is an update to the 2014 Management Letter as requested in Report AC2015-0529.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Deloitte’s assessment of Administration’s actions, the original findings, recommendations and Administration’s comments, are outlined in the attached letter from Deloitte.

Audit Committee should consider all recommendations made by the External Auditor and the responses from Administration to see if the recommendations have been appropriately implemented or responded to.

Stakeholder Engagement, Research and Communication

The letter is addressed to The City’s Chief Financial Officer.

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

There are potential non-material risks to the City of Calgary if the Deloitte recommendations are not appropriately implemented or responded to by Administration.

REASON FOR RECOMMENDATION:

This Report is for Information only.

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ATTACHMENTS

1. Deloitte LLP 2014 Management Letter Update
2. Deloitte LLP 2014 Management Letter Update - Confidential