

EXTERNAL AUDITOR 2014 MANAGEMENT LETTER

EXECUTIVE SUMMARY

Presentation of the annual Management Letter received from Deloitte LLP, The City's External Auditors for 2014, relating to the audit of The City's 2014 consolidated financial statements.

RECOMMENDATIONS

That the Audit Committee:

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 receives 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.

RECOMMENDATION OF THE AUDIT COMMITTEE, DATED 2015 JUNE 18:

That Council:

1. Receives this Report for information; and
2. Directs that Attachment 2 remain 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 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 the annual Management Letter to The City's Administration regarding any control improvement opportunities that they identified during the audit of The City's 2014 consolidated financial statements and prior years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has reviewed and responded to each recommendation in the External Auditor's Management Letter. Administration's responses are included in the External Auditor's Management Letter.

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Administration has 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 Auditor prepare a follow-up report for the Audit Committee's 2016 January Audit Committee meeting.

Stakeholder Engagement, Research and Communication

Administration has been asked to review and respond to the recommendations in the 2014 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.

ATTACHMENT

1. Deloitte LLP 2014 Management Letter
2. Legal Claims (Confidential)