

**Chief Financial Officer's Report to
Audit Committee
2022 July 21**

**ISC: UNRESTRICTED
AC2022-0593
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Status Update to Off-site Levy External Audit Recommendations

RECOMMENDATION:

That the Audit Committee recommends that Council:

1. Review the information contained in Attachment 3, in conjunction with the current Report AC2022-0593, to give a full scope of information of status for the Off-Site Levy External Audit Recommendations;
2. Receive this Report and Attachments for the Corporate Record; and
3. Direct Administration to report back to the Audit Committee after final review and conclusion of the four outstanding recommendations.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2022 JULY 21:

That Council:

1. Review the information contained in Attachment 3, in conjunction with the current Report AC2022-0593, to give a full scope of information of status for the Off-Site Levy External Audit Recommendations;
2. Receive this Report and Attachments for the Corporate Record; and
3. Direct Administration to report back to the Audit Committee after final review and conclusion of the four outstanding recommendations.

HIGHLIGHTS

- As directed by Audit Committee on 2021 July 22, Administration is providing a status update on progress made to address external audit recommendations in the Deloitte LLP Management Letter, dated 2021 July 12.
- What does this mean to Calgarians? Calgarians are provided with assurance that recommendations made by the external auditor are considered and implemented as deemed necessary.
- Why does this matter? This provides citizens with transparency on Administration's efforts to mitigate any potential risk and gives assurance that recommended changes are considered and implemented as deemed necessary.
The 2021 July 12 management letter contained Deloitte LLP's identified findings and recommendations from their audit of the 2016 – 2020 off-site levy balances, together with Administration responses to each recommendation. These findings and recommendations were not significant or material and did not impact Deloitte LLP's ability to issue their audit report.
- Attachment 2 contains Administration's status update on progress made to address the recommendations. It does not include a status update from Deloitte LLP as the external auditor was not directed by Audit Committee to provide a follow-up report.
- Several recommendations have been appropriately addressed since the issuance of the recommendation letter on 2021 July 12.
- There are four outstanding recommendations which will be reported on by Administration at a future date once they have been addressed.

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- The External Auditor Management Letter for Off-site Levy Balances Audit was presented at the 2021 July 22 Audit Committee Meeting (Attachment 3) and was received for the Corporate Record by Council at their 2021 September 13 Combined Meeting of Council.
- Strategic Alignment to Council's Citizen Priorities: A well-run city.

DISCUSSION

Between 2021 July 12 (the date of the management recommendation letter) and 2022 May 31, four recommendations were addressed by the respective business units. Finance performed a detailed walkthrough of each of the completed recommendations with the subject matter experts to ensure the recommendations were appropriately addressed.

There are four outstanding recommendations which will be reported on by Administration at a future date once they have been addressed. This will take place after the new structure from the corporate realignment is operational, and the new Off-site Levy Bylaw work has been completed. The current processes in place are in compliance with legislation and operating effectively.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

Public Engagement was undertaken

Public Communication or Engagement was not required

Public/Stakeholders were informed

Stakeholder dialogue/relations were undertaken

IMPLICATIONS

Social

Not applicable.

Environmental

Not applicable.

Economic

The off-site levy funds support the long-term economic growth of Calgary through infrastructure investment and job creation. At the same time, the off-site levy leverages private investment in redevelopment, while supporting intensification and population growth.

Service and Financial Implications

No anticipated financial impact.

There are no anticipated financial implications as a result of implementing these recommendations.

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RISK

Not applicable.

ATTACHMENT(S)

1. Attachment 1 – Previous Council Direction
2. Attachment 2 – Status update to Off-site Levy External Audit Recommendations
3. Attachment 3 – Management Letter for Off-Site Levy Balances Audit July 2021

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male	Chief Financial Officer's Department	Approve
Stuart Dalgleish	Planning & Development	Inform