

EXTERNAL AUDITOR 2016 AUDIT SERVICE PLAN AND FEES REPORT

EXECUTIVE SUMMARY

This report seeks the Audit Committee's approval with respect to the External Auditor's proposed 2016 Audit Service Plan and fees.

ADMINISTRATION RECOMMENDATION(S)

That the Audit Committee:

1. Reviews and approves the Deloitte 2016 Audit Service Plan (Attachment); and
2. Recommends that Council receive this Report and the Attachment for information.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012 states the Audit Committee will:

Schedule B, Regarding the External Auditor

"1(b) pre-approves all audit and non-audit services performed by the External Auditor. However, the Audit Committee Chair can pre-approve additional audit or non-audit services, performed by the External Auditor, up to \$25,000 total annually. Any approvals by the Chair will be reported to the Audit Committee as part of the Audit Committee Annual Status Report."

"1(d) prior to the commencement of the annual external financial audit, review the financial audit plan with *the External Auditor*."

BACKGROUND

Prior to beginning the annual audit, the External Auditor submits an Audit Service Plan to the Audit Committee. Deloitte LLP, The City's external auditor for the 2016 fiscal year, has prepared an Audit Service Plan and the estimated fees for Audit Committee to review (Attachment).

The Audit Service Plan includes an overview of the scope of work Deloitte plans to complete, the planned deliverables, the credentials of the Audit engagement team, and what Deloitte sees as key considerations affecting the 2016 Audit. The audit is designed to enable Deloitte to express an opinion on the 2016 December 31 consolidated financial statements of the City of Calgary.

The Audit Service Plan indicates an audit completion date of 2017 April, including a meeting with Audit Committee and the issuance of the management letter in 2017 June. This will enable the City to meet the 2017 May 01 Municipal Government Act deadline with the Province of Alberta, for filing its audited annual financial statements.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Not applicable

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Stakeholder Engagement, Research and Communication

Not applicable

Strategic Alignment

Not applicable

Social, Environmental, Economic (External)

Not applicable

Financial Capacity

Current and Future Operating Budget:

The Audit Committee budget contains a line item with respect to External Auditor services.

Current and Future Capital Budget:

There are no capital budget implications for this report

Risk Assessment

Not applicable

REASON(S) FOR RECOMMENDATION(S):

Audit Committee Bylaw 48M2012 requires the Audit Committee to review the External Auditor's Audit Service Plan prior to commencement of their audit.

ATTACHMENT(S)

Deloitte – The City of Calgary 2016 Audit Service Plan