

## Audit Committee 2014 Annual Report Narrative

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One of the Audit Committee's primary goals in fulfilling its mandate is to provide a standard of audit governance for The City at a level that is comparable to the current standard for audit committees in the public and private sectors. Audit Committee membership at The City of Calgary consists of seven independent members appointed by City Council: four City Councillors who have been elected by the citizens of Calgary and three volunteer citizen members with financial expertise.

The City's Audit Committee oversees the activities of the external auditor and the City Auditor's Office to assist in ensuring City Administration's accountability to City Council. The Audit Committee engages independent external auditors in order to fulfill The City's legislated audit requirements. The current external auditor for The City is Deloitte LLP.

Deloitte LLP carried out the audit of The City of Calgary's 2014 financial accounts in accordance with Canadian Generally Accepted Auditing Standards, and had full and unrestricted access to the Audit Committee to discuss the audit and related findings. This external audit function adds assurance to the integrity of The City's financial statements and reporting processes. Audit Committee reviews The City's Annual Financial Statements and recommends City Council approval of The City's financial statements as audited by the external auditor and presented in this 2014 Annual Report.

The City Auditor's Office is the independent internal auditor of the City of Calgary. The City Auditor's Office operates independently from City Administration and reports directly to Council through Audit Committee. The City Auditor's authority and terms of reference are mandated in the City Auditor's Bylaw and the City Auditor's Office Charter. The risk-based activities of the City Auditor's work plan; however, the Audit Committee cannot remove items from the work plan. The results of formal audits by the City Auditor's Office are presented to Audit Committee for discussion and made public through The City's website.

The City Auditor's Office oversees the Whistle-Blower Program, which may include concerns raised by City employees and members of the public. The City Auditor's Office reports annually to Audit Committee, in accordance with the Whistle-Blower Policy, information related to reports received and investigations conducted during the year.

In addition to the major areas of focus, in 2014 the Audit Committee concluded and reported on a performance audit of Access Calgary, reviewed presentations from eight

autonomous civic entities, received 18 reports and audits from the City Auditor's Office and received 13 reports relating to risk management from City Administration. The Audit Committee also provided oversight of The City's integrated risk management framework, financial disclosure and accounting practices, code of conduct, legal compliance and control environment. The Audit Committee coordinated its governance responsibilities with audit committees of The City's major autonomous civic entities as determined by the Audit Committee.

The Audit Committee maintains a review of the Audit Committee Bylaw on a regular basis to ensure the Audit Committee Bylaw and the terms of reference therein reflect best practices in audit governance.

The Audit Committee has been successful in ensuring that the right professionals and appropriate level of resources are in place to continue to fulfill the Audit Committee's mandate.