

**Audit Resource Management Report to
Audit Committee
2024 June 13**

**ISC: UNRESTRICTED
AC2024-0536
Page 1 of 2**

External Auditor 2023 Management Letter

PURPOSE

The purpose of this report is to provide the Audit Committee with the annual Management Letter from Deloitte LLP, The City's External Auditor, relating to the audit of The City's 2023 consolidated financial statements.

PREVIOUS COUNCIL DIRECTION

Audit Committee Bylaw 33M2020 provides the authority for Audit Committee to review the External Auditor's Management Letters and request updates. The most recent Management Letter update from the External Auditor was on the status of their recommendations contained in their 2022 Management Letter (AC2024-0082) at the 2024 January 18th Audit Committee meeting.

RECOMMENDATIONS:

That the Audit Committee:

1. Requests the External Auditor provide an update regarding the implementation status of the recommendation contained in the 2023 Management Letter (Attachment) at the 2025 January Audit Committee meeting; and
2. Recommends that Council receives this Report and Attachment for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 JUNE 13:

That Council receive this Report and Attachment for the Corporate Record.

HIGHLIGHTS

The External Auditor's 2023 Year-End Report was presented at the 2024 April 18 Audit Committee Meeting (AC2024-0479) and was received for the Corporate Record by Council at their 2024 April 30 Regular Meeting.

The annual Management Letter to The City's Administration reflects the observations the External Auditor had during the 2023 Audit. Deloitte have not identified any new items that would be of interest to Administration. However, they have included an update with respect to observations raised during the fiscal 2020 audit, based on procedures they performed during the 2023 audit. This observation relates to the automation of the consolidation process and Deloitte provided the status as in progress.

This report provides Calgarians with assurance that recommendations made by the external auditor are followed up and implemented. It also offers transparency on Administration's efforts to mitigate any potential risk to The City.

Audit Committee should ensure 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 2025 January meeting.

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Page 2 of 2**

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ATTACHMENT

1. Deloitte LLP 2023 Letter of Recommendations (Management Letter)

Department Circulation

Councillor E. Spencer	Chair of Audit Committee	Approve
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