

Financial Reserves Audit

PURPOSE

The purpose of this report is to communicate the outcome of the Financial Reserves Audit, including Administration's response and corrective actions.

PREVIOUS COUNCIL DIRECTION

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties, and functions of the position. In accordance with Bylaw 30M2004 (as amended), the City Auditor reports the outcome of all audits to the Audit Committee (including Administration's response and corrective actions to be taken in regard to specific recommendations). The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.

RECOMMENDATIONS

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 MAY 23:

That Council receive this report for the Corporate Record.

HIGHLIGHTS

- What does this mean to Calgarians? The City Auditor's Office provides independent and objective audit assurance services to add value to The City of Calgary and enhance public trust.
- Why does it matter? Reserves are used to accumulate funds over time to replace capital assets, and to provide a measure of financial flexibility to react to budget shortfalls or the financial impact of significant unexpected issues. Effective reserve management and alignment with best practices mitigate the risk reserves are overfunded or underfunded, and reserve transactions are not consistent with reserve purpose, conditions/restrictions, and City of Calgary reserves policies and procedures.

RISK

Recommendations in this audit report support Administration in their on-going mitigation activities related to the Financial Sustainability Principal Corporate Risk.

ATTACHMENT

1. Financial Reserves Audit

**City Auditor's Report to
Audit Committee
2024 May 23**

**ISC: UNRESTRICTED
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DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	City Auditor	Approve
David Duckworth	Chief Administrative Officer	Inform
Carla Male	Chief Financial Officer	Inform
Les Tochor	City Treasurer, Deputy Chief Financial Officer	Inform
Aaron Brown	Deputy Director, Corporate Finance	Inform
Todd Rathie	Finance Manager, Corporate Financial Reporting	Inform

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City Clerks: J. Booth / B. Dufault