

**Audit Resource Management Report to
Audit Committee
2025 February 13**

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AC2025-0036
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Audit Committee 2024 Year-End Report

PURPOSE

This report is the annual year-end update on the activities of the Audit Committee in 2024 provided by Audit Resource Management.

PREVIOUS COUNCIL DIRECTION

The Audit Committee 2025 Work Plan includes the presentation of the Audit Committee 2024 Year-End Report.

Schedule A, Section 1(f) of Audit Committee Bylaw 33M2020, as amended provides that the Audit Committee develop a detailed annual work plan which is forwarded to Council for information.

RECOMMENDATION:

That Audit Committee receive Report AC2025-0036 and the Attachment for the Corporate Record.

HIGHLIGHTS

This overview provides assurance that the Audit Committee continues to focus on their mandate in Bylaw 33M2020, as amended and that the Work Plan for 2024 (Attachment) has been completed.

1. Audit Committee Membership and Support

Committee membership consists of four members of Council and three public members. Appointments for the 2023-2024 term were made at Council's 2023 October Organizational Meeting with Councillors serving two-year terms and public members serving staggered two-year terms as follows:

- Councillor Evan Spencer (Chair)
- Councillor Richard Pootmans (Vice-Chair)
- Councillor Courtney Walcott
- Councillor Jennifer Wyness
- Public Member Karen Kim (ongoing appointment to 2024 October)
- Public Member Cheryl McGillivray (new appointment to 2025 October)
- Public Member Josephine Naicker (new appointment to 2025 October)

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Council made annual appointments to the Audit Committee at their 2024 October Organizational Meeting as follows:

- Councillor Evan Spencer (Chair)
- Councillor Jennifer Wyness (Vice-Chair)
- *Councillor Richard Pootmans / Councillor Andre Chabot
- Councillor Courtney Walcott
- Public Member Karen Kim (reappointed to 2026 October)
- Public Member Cheryl McGillivray (ongoing appointment to 2025 October)
- Public Member Josephine Naicker (ongoing appointment to 2025 October)

*Note: In November 2024 Councillor Richard Pootmans stepped down from his role on City Council and Councillor Andre Chabot was appointed to Audit Committee by Council at their 2024 December 17 Regular meeting (Report C2024-1368, Mid-term Council Member Appointments). Audit Committee orientation will be provided to Councillor Chabot in 2025.

Throughout 2024 the Audit Committee was supported by the following persons:

- Chief Financial Officer, Carla Male
- Acting CFO, Director of Finance / City Treasurer, Les Tochor
- City Auditor, Liz Ormsby
- External Auditor, Harman Gill, Deloitte LLP
- Executive Advisor, Corrie Smillie

2. Status of Audit Committee 2024 Work Plan

The Audit Committee 2024 Work Plan (Attachment) includes all reports and items scheduled on each of the 11 meeting agendas. The Work Plan was completed at the 2024 December 12 meeting, with the exception of three reports deferred to the Audit Committee's 2025 Work Plan; the Environmental, Social and Governance Reporting Framework, Elevate Calgary Report and Tourism Calgary Report.

Throughout the year reports from the City Auditor, External Auditor, Executive Advisor and Administration were added as required. Other reports were deferred or removed pursuant to the Chair or Vice-Chair's authority contained in Audit Committee Bylaw 33M2020, as amended.

Six of The City's civic partners were invited to provide a report to Audit Committee with respect to their annual report, risk management, governance structure, financial highlights, internal controls, work plans and key initiatives for 2024:

- Attainable Homes Calgary Corporation
- Calgary Housing Company
- Calgary Municipal Land Corporation
- Calgary Police Commission
- ENMAX Corporation
- Silvera for Seniors
- Tourism Calgary (subsequently deferred to 2025)

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At each Audit Committee meeting, during the closed portion (public excluded), the Chief Financial Officer, External Auditor and City Auditor were provided with an opportunity to discuss any confidential matters with the Committee in the absence of each other. These discussions are considered a best practice for Audit Committees and are held confidential pursuant to exceptions to disclosure within the *Freedom of Information and Protection of Privacy Act*.

3. Audit Committee Initiatives

- Selection of External Auditor for 2024-2028 Audit (ongoing from 2023)

The external auditor selection process was completed in April 2024 with the appointment of Deloitte LLP. This appointment was made public through a Briefing to Council (Briefing C2024-0416, External Auditor Appointment for 2024 – 2028) at their 2024 April 30 Regular Meeting.

- Review of City Auditor Bylaw 30M2004 and Audit Committee Bylaw 33M2020 (ongoing from 2023)

The City Auditor's Bylaw 30M2004 and the Audit Committee's Bylaw 33M2020 were reviewed throughout 2023 and 2024. Final proposed amendments were presented to Council at their 2024 July 30 Regular Meeting and amending bylaws were passed (Report AC2024-0182, Proposed Amendments to Audit Committee Bylaw 33M2020 and City Auditor Bylaw 30M2004).

- Infrastructure Review

The Audit Committee, at their 2024 September 19 meeting, approved that the services of an external consultant be obtained to review critical infrastructure identification and asset re-investment decision-making components of the Corporate Asset Management Plan (CAMP). This review is ongoing into 2025 with the final report from the consultant to be presented at the 2025 May 15 Audit Committee meeting.

4. Audit Committee Engagement and Learning Opportunities

Outside of the regular meeting schedule Audit Committee members were provided with learning opportunities as well as sessions to offer their expertise and feedback:

- February Cyber Security Risk Presentation
- April City of Calgary 2023 Annual Financial Report Q&A Session
- June City Auditor's 2025 Audit Plan (All Council Members invited)
- July City of Calgary Reserves Presentation
- August Environmental, Social & Governance Reporting Engagement
- October Risk Appetite and Tolerance Presentation
- October Infrastructure Risk Presentation

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5. Audit Committee 2024 Budget

The Audit Committee’s operating budget for 2024 was \$905,547. The budget includes funding for External Audit fees, Information Technology, Communications, Business Expenses, Office Supplies, Salaries, Benefits, and External Consulting.

6. Pre-Approval of Audit and Non-Audit Services by External Auditor

The Audit Committee Chair is authorized by Bylaw 33M2020, as amended, to pre-approve additional audit or non-audit work performed by the External Auditor. The pre-approval limit was raised from \$50k to \$75k in 2024 when Bylaw 33M2020 was reviewed and subsequently amended by Council. Pursuant to the Bylaw, pre-approval must be reported to Audit Committee. In 2024 the Audit Chair pre-approved one request for non-audit services by the external auditor in the amount of \$75,000 which was reported to Audit Committee (Confidential Report AC2024-1253, External Auditor – Approval Request for Provision of Non-Audit Services).

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

Audit Committee public members provided shared learnings from their engagement opportunities with the Chief Information Technology Officer on technological disruption risk profile and with the Deputy Director, Corporate Finance on investment governance. Updates to the Committee were provided in the closed meetings.

Throughout the year the Executive Advisor to Audit Committee collaborates with the Chief Administrative Officer’s Office, City Auditor’s Office, External Auditor, Civic Partners, Chief Financial Officer, City Clerk’s Office, Working Groups and representatives from Administration on Audit Committee work plan items, forthcoming audits, reporting procedures, agenda development and meeting management.

RISK

There is no risk associated with this Audit Committee 2024 Year-End Report.

ATTACHMENT

Status of 2024 Audit Committee Work Plan as at 2024 December 31

Department Circulation

Councillor Evan Spencer	Chair, Audit Committee	Approves
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