

**Audit Resource Management Report to
Audit Committee
2025 January 09**

**ISC: UNRESTRICTED
AC2025-0048**

External Auditor 2023 Management Letter Update

PURPOSE

With respect to the 2023 annual financial audit, the Audit Committee reviews the External Auditor's management letters (Attachment), reviews Administration's responses and confirms that recommendations are addressed in a timely manner.

PREVIOUS COUNCIL DIRECTION

At the 2024 April 18 Audit Committee meeting the External Auditor's 2023 Year-End Report (AC2024-0479) was presented in conjunction with the City of Calgary 2023 Annual Financial Report (AC2024-0438).

The Audit Committee reviewed the External Auditor 2023 Management Letter (AC2024-0536) at their 2024 June 13 meeting. An update was directed to be provided to Audit Committee at their 2025 January meeting on the status of implementation of the recommendations.

Schedule B, Section 1(d) Audit Committee Bylaw 33M2020, as amended, provides the authority for Audit Committee to review the Management Letters and request updates.

RECOMMENDATIONS:

That the Audit Committee:

1. Receives this Report and Attachment for the Corporate Record; and
2. Recommends that Council receive this Report and Attachment for information and the Corporate Record pursuant to the Audit Committee Bylaw 33M2020, Schedule 'B', Section 1(d).

RECOMMENDATION OF THE AUDIT COMMITTEE, 2025 JANUARY 9:

That Council receive this Report and Attachment for information and the Corporate Record pursuant to the Audit Committee Bylaw 33M2020, Schedule 'B', Section 1(d).

HIGHLIGHTS

This Management Letter update on the 2023 external audit provided by the External Auditor provides assurance that their recommendations are followed up on and implemented as required. There is transparency on Administration's efforts to mitigate any potential risk and gives assurance that recommended changes to reporting processes are addressed in a timely manner.

DISCUSSION

The External Auditor's Management Letter update contains one observation that The City's consolidation process continues to be a manual exercise. Due to the increasing complexity of the transactions between The City and the related authorities the external auditor recommends automation of the consolidation process. Administration agrees with this recommendation and have commenced planning and scoping for an automated consolidation process.

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ATTACHMENT

1. Deloitte LLP 2023 Letter of Recommendations – January 2025 Update Letter

Department Circulation

Councillor E. Spencer	Chair of Audit Committee	Approve
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