



Audit Resource Group Report to
Audit Committee
2014 June 19

ISC: UNRESTRICTED
REVISED AC2014-0533
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EXTERNAL AUDITOR 2013 MANAGEMENT LETTER

EXECUTIVE SUMMARY

Presentation of the annual Management Letter received from Deloitte LLP, The City's External Auditors for 2013, relating to the audit of The City's 2013 consolidated financial statements.

ADMINISTRATION RECOMMENDATIONS

That the Audit Committee recommends:

1. That Council receives this Report for information;
2. That the External Auditor provide their annual report regarding the implementation status of the recommendations in its 2013 Management Letter at the 2015 January Audit Committee meeting; and
3. That Attachment 2 to this report and the In Camera discussions remain confidential pursuant to Section 25(1)(c) and 27(1) of the *Freedom of Information and Protection Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw states that the Audit Committee:

"receives and reviews the External Auditor's Management Letter(s), together with any Administration responses, and forward, either in full or in summary, to Council for information."

Schedule B, section 1(f)

BACKGROUND

The City's External Auditor, Deloitte LLP, has prepared the annual Management Letter to The City's Administration regarding any control improvement opportunities that they identified during the audit of The City's 2013 consolidated financial statements and prior years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has reviewed and responded to each recommendation in the External Auditor's Management Letter. Administration's responses are included in the External Auditor's Management Letter.

Administration has also provided updates with respect to previous year findings and recommendations as applicable.

Audit Committee should consider ensuring 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 2015 January Audit Committee meeting.

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Stakeholder Engagement, Research and Communication

Administration has been asked to review and respond to the recommendations in the 2013 Management Letter. Administration and the External Auditor have discussed the observations, recommendations and responses.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

There are no budget implications for this report.

Current and Future Capital Budget:

There are no budget implications for this report.

Risk Assessment

Not applicable.

REASON(S) FOR RECOMMENDATION(S):

This report is for information only.

ATTACHMENT

1. Deloitte LLP 2013 Management Letter
2. Deloitte LLP 2013 Management Letter (Observation 3, Page 8 - Confidential)