

**Audit Resource Management Report to
Audit Committee
2024 February 15**

**ISC: CONFIDENTIAL
AC2024-0165
Page 1 of 2**

External Auditor – Update on the 2023 Audit (New Accounting Standards)

PURPOSE

The purpose of this report is to provide Audit Committee with an update on the External Auditor's progress on their work with Administration on the adoption of the New Accounting Standards (Financial Instruments and Asset Retirement Obligations) for the 2023 external audit.

PREVIOUS COUNCIL DIRECTION

The Audit Committee Bylaw 33M2020 states in Section 5 that "The Audit Committee is authorized to:

- (f) pre-approve all audit and non-audit services performed by the External Auditor..."

and further, in Schedule B of Bylaw 33M2020, it states "The Audit Committee:

- (a) prior to the commencement of the annual external financial audit, reviews the audit plan and estimated audit fees with the External Auditor and discusses the timing and extent of audit procedures, materiality, significant audit risks and areas of audit focus and overall audit strategy. The audit plan is forwarded to Council for information;"

RECOMMENDATIONS:

Review By: 2024 April 30

That Audit Committee:

1. Receive the update (Attachment) on the External Auditor's progress on the adoption of the New Accounting Standards for the Corporate Record;
2. Request the External Auditor to continue providing Audit Committee with updates and fee estimates as they progress;
3. Forward this report to Council for information and the Corporate Record; and
4. Recommend this Report, the Attachment and the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2024 April 30.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 FEBRUARY 16:

That Council:

1. Receive this report for information and the Corporate Record; and
2. Recommend this Report, the Attachment and the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2024 April 30.

HIGHLIGHTS

This report is an update on the External Auditor's (Deloitte LLP) progress on the adoption of New Accounting Standards (Financial Instruments and Asset Retirement Obligations) with respect to the annual external audit of The City's 2023 financial statements.

**Audit Resource Management Report to
Audit Committee
2024 February 15**

**ISC: CONFIDENTIAL
AC2024-0165
Page 2 of 2**

External Auditor - Update on the 2023 Audit (New Accounting Standards)

Deloitte's 2023 Audit Service Plan and Fees were approved by Audit Committee on 2023 July 19 (AC2023-0701). Included with the service plan was an estimate of the scope of work and fees for Phase 1(a) and 1(b) in the adoption of New Accounting Standards.

Deloitte provided estimated fees for Phases 2 (\$60,000-\$80,000) and 4(a) (\$10,000-\$15,000) at the 2023 October 12 Audit Committee meeting. The Phase 3 fee estimate will be provided at a future meeting.

The external auditor provides assurance to Calgarians that the annual consolidated financial statements accurately reflect the financial position of The City of Calgary. Reasonable assurance is given that the financial statements, as a whole, are free of any material misstatement, whether due to fraud or error.

The External Auditor will provide the results of the 2023 City of Calgary external audit at the 2024 April 18th Audit Committee meeting and those results will be forwarded to Council for information.

ATTACHMENT

1. CONFIDENTIAL Deloitte LLP, Update on The City of Calgary 2023 Audit, February 15, 2024, Audit Committee

Department Circulation

Councillor Evan Spencer	Chair of Audit Committee	Approve
-------------------------	--------------------------	---------

City Clerks: A. Degrood / C. Doi

Author: C. Smillie, EA to Audit Committee