

**Working Group for Selection of External Auditor Report to  
Audit Committee  
2023 September 21**

**ISC: UNRESTRICTED  
AC2023-0935**

**Recommendation for an External Auditor for 2024-2028**

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**PURPOSE**

This report from the Working Group on Selection of External Auditor (Working Group) provides Audit Committee with their recommendation on the selection of an external auditor for The City for the 2024 – 2028 fiscal year audits.

**PREVIOUS COUNCIL DIRECTION**

The Audit Committee Bylaw 33M2020 states in Section 5 that “The Audit Committee is authorized to recommend the appointment of the External Auditor to Council for approval” and in Schedule B that the “contract may be extended annually beyond five years, based on Audit Committee’s recommendation for Council’s approval”.

**RECOMMENDATIONS:**

**Review By: 2024 January 01**

That Audit Committee recommends:

1. That Council approve the recommendation for the successful proponent for external auditor services for a five-year contract for the 2024 – 2028 audits, as contained in the Confidential Distribution;
2. That Council keep the proponent’s name confidential until Council makes a public announcement of the name, following Administration’s successful negotiation and subsequent completion of contract documents;
3. That Council direct this Report, Confidential Distribution, and the Closed Meeting discussions remain confidential pursuant to Sections 16 (Harmful to business interests of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2024 January 01; and
4. That this report be forwarded without the Confidential Distribution to the “Confidential Items; Items from Officers, Administration, and Committees” category of the 2023 October 17 Regular Meeting of Council.

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**RECOMMENDATION OF THE AUDIT COMMITTEE, 2023 SEPTEMBER 21:**

That Council:

1. **Adopt** the recommendation for the successful proponent for external auditor services for a five-year contract for the 2024 – 2028 audits, as contained in the Confidential **Attachment**;
2. Keep the proponent's name confidential until Council makes a public announcement of the name, following Administration's successful negotiation and subsequent completion of contract documents; and
3. Direct this Report, Confidential **Attachment**, and the Closed Meeting discussions remain confidential pursuant to Sections 16 (Harmful to business interests of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2024 January 01.

**Excerpt from the Minutes of the Regular Meeting of the Audit Committee, 2023 September 21:**

A confidential document entitled "Confidential Distribution" was distributed with respect to Confidential Report AC2023-0935.

**HIGHLIGHTS**

A Working Group of Audit Committee was appointed at their 2023 January 19 meeting with the mandate to:

- Oversee and approve the scope of work in the Request for Proposal (RFP) seeking an external auditor;
- Evaluate compliant proposals received on the RFP;
- Interview qualified firms as necessary; and
- Recommend appointment of an external auditor for The City.

The Working Group have completed their evaluation of the compliant bids received on the RFP #23-1519 and are prepared to make a recommendation to Audit Committee for an external auditing firm for the 2024-2028 external audits.

Audit Committee approval of this recommendation is required prior to forwarding it to Council for their approval pursuant to Bylaw 33M2020, Section 5(e).

**DISCUSSION**

The Working Group on Selection of External Auditor is comprised of:

- Councillor Jennifer Wyness, Chair
- Councillor Evan Spencer, Vice-Chair
- Citizen Member, Lori Caltagirone
- Citizen Member, Michael Lambert

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The Working Group received support from Scot Campbell, Supply Management (procurement), Greg Wiebe, Deputy Director of Finance (subject matter expert), and Corrie Smillie, Executive Advisor to Audit Committee (project manager).

An RFP was developed for review by the Working Group and once approved was posted for 30 days on ARIBA, a global contract management system used at The City for goods and services procurements over a threshold of \$75k.

The RFP sought bids on external audits for the following entities (those with an asterisk are not part of The City's current external audit contract for 2023, however are included for 2024-2028):

- City of Calgary – consolidated accounts
- Attainable Homes Calgary Corporation\*
- Calgary Arts Development Authority\*
- Calgary Convention Centre Authority
- Calgary Economic Development\*
- Calgary Film Centre\*
- Calgary Housing Company
- Calgary Municipal Land Corporation
- Calgary Police Service
- Calgary Public Library
- cSpace Projects\*
- ENMAX Corporation
- Opportunity Calgary Investment Fund\*
- Other Ancillary Audits

Following the closing date (2023 July 31) for the RFP, members of the Working Group individually evaluated all compliant bid proposals received based on the following criteria:

- Understanding of Scope
- Audit Approach and Methodology
- Proposed Team
- Firm Experience
- Social Procurement Questionnaire
- Pricing

A consensus-based decision was reached by the Working Group on the external auditing firm to recommend to Audit Committee. As part of this evaluation the Working Group requested a brief introductory meeting with members of the selected external auditing firm's team.

This recommendation for an external auditor is required to be forwarded to Council for approval. Following Council approval of the selected firm, Administration, with input from the Working Group and resource persons, will negotiate the terms of the five-year contract and complete contractual documents.

At a future meeting of Council, a public announcement of the successful firm can be made. Until Council's public announcement the name of the selected firm should remain confidential.

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**RISK**

It is essential that continuity with an external audit firm is preserved. The *Municipal Government Act*, Section 281(1) states that “The auditor for the municipality must report to the council on the annual financial statements and financial information return of the municipality”.

**ATTACHMENT**

**1. Confidential Distribution – Recommendation of an External Auditor for 2024-2028,  
AC2023-0935**

Department Circulation

Audit Committee	Role	Approve/Consult/Inform
Councillor J. Wyness	Chair of Working Group	Approve
Councillor E. Spencer	Vice-Chair of Working Group	Approve
Councillor R. Pootmans	Chair of Audit Committee	Inform

Author: C. Smillie, Executive Advisor to Audit Committee