AGENDA

AUDIT COMMITTEE

September 17, 2020, 9:30 AM
IN THE COUNCIL CHAMBER

Members

Councillor E. Woolley, Chair
Councillor J. Farkas, Vice-Chair
Councillor D. Colley-Urquhart
Councillor J. Gondek
Citizen Representative L. Caltagirone
Citizen Representative M. Dalton
Citizen Representative M. Lambert
Mayor N. Nenshi, Ex-Officio

SPECIAL NOTES:
Public are encouraged to follow Council and Committee meetings using the live stream
www.calgary.ca/watchlive
Members may be participating remotely.

1. CALL TO ORDER

2. OPENING REMARKS

3. CONFIRMATION OF AGENDA

4. CONFIRMATION OF MINUTES

   4.1 Minutes of the Regular Meeting of the Audit Committee, 2020 July 23

5. CONSENT AGENDA

   5.1 DEFERRALS AND PROCEDURAL REQUESTS

   5.2 BRIEFINGS

6. POSTPONED REPORTS
   (including related/supplemental reports)

   None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Strategic Update for Finance - Budgeting and Risk (Verbal Presentation), AC2020-1022

7.2 SAVE Program Preliminary Results and Actions (Verbal Presentation), AC2020-1048

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS
None

8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Audit Forum (Verbal), AC2020-0916
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.1.2 External Auditor (Verbal), AC2020-0917
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.1.3 City Auditor (Verbal), AC2020-0919
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

10.2 URGENT BUSINESS

11. ADJOURNMENT

MINUTES

AUDIT COMMITTEE

July 23, 2020, 1:00 PM
IN THE COUNCIL CHAMBER

UNCONFIRMED

PRESENT:	Councillor E. Woolley, Chair Councillor J. Farkas, Vice-Chair (Remote Participation) Councillor J. Gondek (Remote Participation) Citizen Representative L. Caltagirone (Remote Participation) Citizen Representative M. Dalton Citizen Representative M. Lambert (Remote Participation)
ABSENT:	Councillor D. Colley-Urquhart (Personal)
ALSO PRESENT:	City Manager D. Duckworth City Auditor K. Palmer Chief Financial Officer C. Male External Auditor H. Gill (Remote Participation) External Auditor T. Nakka (Remote Participation) Executive Assistant C. Smillie Deputy City Clerk K. Martin Legislative Advisor G. Chaudhary

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 1:04 p.m.

ROLL CALL

Councillor Woolley, Councillor Farkas, Councillor Gondek, Citizen Representative Caltagirone, Citizen Representative Dalton, Citizen Representative Lambert

2. OPENING REMARKS

Councillor Woolley provided opening remarks.

3. CONFIRMATION OF AGENDA

Moved by Citizen Representative Dalton

That the Agenda for the 2020 July 23 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Audit Committee, 2020 June 11

Moved by Citizen Representative Dalton

That the Minutes of the 2020 June 11 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

Moved by Citizen Representative Dalton

Pursuant to section 6(1) of the Procedure Bylaw 35M2017, as amended, Section 78 2(a) be suspended.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 City Manager's Principal Corporate Risk Update (Verbal), AC2020-0727

Item 7.1 Verbal Report AC2020-0727 was heard concurrently with Item 7.2 Report AC2020-0711.

A presentation entitled "City Manager's Principal Corporate Risk Update", dated 2020 July 23, was electronically distributed and displayed with respect to Verbal Report AC2020-0727.

Moved by Citizen Representative Dalton

That with respect to Verbal Report AC2020-0727, the following be approved:

That the Audit Committee receive the presentation for the Corporate Record.

MOTION CARRIED

7.2 Integrated Risk Management Mid-Year Update (Including Information Technology), AC2020-0711

Item 7.2 Report AC2020-0711 was heard concurrently with Item 7.1 Verbal Report AC2020-0727.

UNCONFIRMED

A presentation entitled "Integrated Risk Management Mid-Year Update (including Information Technology)", dated 2020 July 23, was electronically distributed and displayed with respect to Report AC2020-0711.

Moved by Citizen Representative Caltagirone

That with respect to Report AC2020-0711, the following be approved:

That the Audit Committee:

1. Receive Report AC2020-0711 and the Presentation for the Corporate Record pursuant to Bylaw 48M2012, Schedule A, Section 5;
2. Forward this Report to Council for the Corporate Record, and
3. Direct that Attachment 5 be held confidential pursuant to Sections 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act;* to be reviewed in 2025 July 30.

MOTION CARRIED

7.3 Opportunity Calgary Investment Fund Administration Audit, AC2020-0764

The following speakers addressed Committee with respect to Report AC2020-0764:

1. Mary Moran, President/CEO, Calgary Economic Development
2. Sheila Will, CFO/COO, Calgary Economic Development

Moved by Councillor Gondek

That with respect to Report AC2020-0764, the following be approved:

1. That Audit Committee receive this report for the Corporate Record; and
2. That Audit Committee recommend that Council receive this report for the Corporate Record.

MOTION CARRIED

7.4 Calgary Fire - Inspections Audit, AC2020-0621

Moved by Citizen Representative Dalton

That with respect to Report AC2020-0621, the following be approved:

1. That Audit Committee receive this report for the Corporate Record; and
2. That Audit Committee recommend that Council receive this report for the Corporate Record.

MOTION CARRIED

7.5 City Auditor's Office 2nd Quarter 2020 Report, AC2020-0824

Moved by Citizen Representative Caltagirone

UNCONFIRMED

That with respect to Report AC2020-0824, the following be approved:

1. That the Audit Committee receive this Report for the Corporate Record; and
2. That the Audit Committee recommend that Council receive this Report for the Corporate Record.

MOTION CARRIED

Committee recessed at 3:10 p.m. and reconvened at 3:21 p.m. with Councillor Woolley in the Chair.

ROLL CALL

Councillor Woolley, Councillor Farkas, Councillor Gondek, Citizen Representative Caltagirone, Citizen Representative Dalton, Citizen Representative Lambert

7.6 City Auditor's Office Bylaw, AC2020-0825

Item 7.6 Report AC2020-0825 was heard concurrently with Item 7.7 Report AC2020-0753.

The following documents were electronically distributed with respect to Report AC2020-0825:

- Revised Attachment 3
- Revised Attachment 4

Moved by Citizen Representative Lambert

That with respect to **Revised** Report AC2020-0825, the following be approved:

That **Revised** Attachment 3, Section 3 of the proposed City Auditor Bylaw be amended as follows:

Remove "The total term of the appointment must not exceed ten (10) years".

ROLL CALL VOTE:

For: (4): Councillor Woolley, Councillor Gondek, Citizen Representative Caltagirone, and Citizen Representative Lambert
Against: (2): Councillor Farkas, and Citizen Representative Dalton

MOTION CARRIED

Moved by Councillor Farkas

That with respect to **Revised** Report AC2020-0825, the following be approved, **as amended**:

That Audit Committee recommends:

1. That **Revised** Attachment 4, the Proposed Text for a bylaw to amend Bylaw 30M2004, the City Auditor Bylaw, be approved; and
2. That Council give three readings to the proposed Bylaw.

UNCONFIRMED

MOTION CARRIED

By General Consent, Committee returned to Item 7.6 after Item 7.9 Report AC2020-0506 to capture a further amendment with respect to Revised Report AC2020-0825.

Moved by Citizen Representative Lambert

That with respect to **Revised** Report AC2020-0825, the following be approved:

That **Revised** Attachment 4, Section 3 of the proposed text to amend Bylaw 30M2004, City Auditor Bylaw be amended as follows:
Remove "The total term of the appointment must not exceed ten (10) years".

ROLL CALL VOTE:

For: (5): Councillor Woolley, Councillor Farkas, Councillor Gondek, Citizen Representative Caltagirone, and Citizen Representative Lambert
Against: (1): Citizen Representative Dalton

MOTION CARRIED

7.7 Proposed New Audit Committee Bylaw, AC2020-0753

Item 7.7 Report AC2020-0753 was heard concurrently with Item 7.6 Report AC2020-0825.

Moved by Citizen Representative Lambert

That with respect to Report AC2020-0753, the following be approved:

That Attachment 1, Section 5(c), Authority of Audit Committee be amended by adding the words "and Chief Financial Officer":
The Audit Committee is authorized to:
(c) request reports from the City Manager **and Chief Financial Officer** regarding:
(i) matters that have a material or significant financial impact to the City; and
(ii) The City's integrated Risk Management and corporate risks, at least twice a year.

That Attachment 1, Schedule A, 2. Regarding the City's Financial Disclosure and Accounting Practices" be amended by adding a new line (f):

(f) must meet with the Chief Financial Officer, in the absence of the External Auditor, at least quarterly.

MOTION CARRIED

Moved by Councillor Farkas

That with respect to Report AC2020-0753, the following be approved, **as amended:**

That Audit Committee recommends:

UNCONFIRMED

1. That **Amended** Attachment 1, the proposed Audit Committee Bylaw, be approved;
2. That the Bylaw Review Working Group be thanked for their service; and
3. That Council give three readings to the proposed Bylaw.

MOTION CARRIED

7.8 External Auditor 2020 Audit Service Plan and Fees, AC2020-0733

Moved by Citizen Representative Dalton

That with respect to Report AC2020-0733, the following be approved:

That the Audit Committee:

1. Reviews and approves the Deloitte 2020 Audit Service Plan (Attachment); and
2. Recommends that Council receive this Report and the Attachment for the Corporate Record.

MOTION CARRIED

7.9 Attainable Homes Calgary Corporation Audit and Accountability Committee Annual Report, AC2020-0506

A presentation entitled "AHC City of Calgary Audit Committee", dated 2020 July 23, was electronically distributed and displayed with respect to Report AC2020-0506.

The following speakers addressed Committee with respect to Report AC2020-0506:

1. Jaydan Tait, President & CEO, Attainable Homes Calgary Corporation
2. Gerry Wagner, Chair, Audit and Accountability Committee, Attainable Homes Calgary Corporation
3. Jaycee Ho, Director of Finance, Attainable Homes Calgary Corporation

Moved by Citizen Representative Lambert

That with respect to Report AC2020-0506, the following be approved:

That Audit Committee receive the presentation by Attainable Homes Calgary Corporation for the Corporate Record.

MOTION CARRIED

By General Consent, Committee returned to Item 7.6 Report AC2020-0825 for a further amendment.

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

UNCONFIRMED

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Citizen Representative Dalton

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act,* Committee move into Closed Meeting at 4:39 p.m. in the Council Boardroom, to consider confidential matters with respect to the following items:

- 10.1.3 City Auditor (Verbal), AC2020-0731
- 10.1.4 External Auditor 2019-2020 Performance Assessment, AC2020-0734

MOTION CARRIED

Committee reconvened in public meeting at 5:11 p.m. with Councillor Woolley in the Chair.

ROLL CALL

Councillor Woolley, Councillor Farkas, Councillor Gondek, Citizen Representative Caltagirone, Citizen Representative Dalton, Citizen Representative Lambert

Moved by Councillor Farkas

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Audit Forum (Verbal), AC2020-0729

No report was given.

10.1.2 External Auditor (Verbal), AC2020-0730

No report was given.

10.1.3 City Auditor (Verbal), AC2020-0731

Administration in attendance during the Closed Meeting discussions with respect to Report AC2020-0731:

UNCONFIRMED

Clerks: K. Martin and G. Chaudhary. Advice: K. Palmer, C. Smillie, and A. Bleau. Law: None. Observers: None.

Moved by Citizen Representative Dalton

That with respect to Report AC2020-0731, the following be approved:

That the Audit Committee direct the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act.*

MOTION CARRIED

10.1.4 External Auditor 2019 – 2020 Performance Assessment, AC2020-0734

Administration in attendance during the Closed Meeting discussions with respect to Report AC2020-0734:

Clerks: K. Martin and G. Chaudhary. Advice: C. Smillie and C. Male. Law: None. Observers: None

Moved by Citizen Representative Dalton

That with respect to Report AC2020-0734, the following be approved:

That the Audit Committee:

1. Recommend that Council receive this report for the Corporate Record; and
2. Direct that this Report, Attachments and the Closed Meeting discussions remain confidential pursuant to Sections 16 (Disclosure harmful to business interests of a third party) and 19 (Confidential evaluations) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed 2035 July 23.

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Farkas

That this meeting adjourn at 5:13 p.m.

MOTION CARRIED

The following items have been forwarded on to the 2020 September 14 Combined Meeting of Council:

CONSENT:

- Integrated Risk Management Mid-Year Update (Including Information Technology), AC2020-0711

UNCONFIRMED

- Opportunity Calgary Investment Fund Administration Audit, AC2020-0764
- Calgary Fire - Inspections Audit, AC2020-0621
- City Auditor's Office 2nd Quarter 2020 Report, AC2020-0824
- External Auditor 2020 Audit Service Plan and Fees, AC2020-0733
- External Auditor 2019 – 2020 Performance Assessment, AC2020-0734

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES:

- City Auditor's Office Bylaw, AC2020-0825
- Proposed New Audit Committee Bylaw, AC2020-0753

The next Regular Meeting of the Audit Committee is scheduled to be held on 2020 September 17 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

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