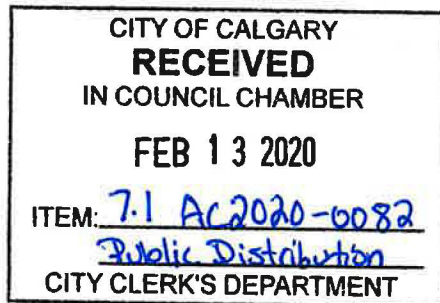# Audit Committee

Strategic Working Group

Update

AC2020-0082

2020 February 13

2019 February 1 - Ralph Klein Park
Audit Committee Strategic Workshop

- Jeff Fielding, City Manager
- Glenda Cole, City Solicitor
- Carla Male, Chief Financial Officer
- Kathy Palmer, City Auditor
- Chris Stewart, Manager, Corporate Initiatives
- Jan Bradley, Chief Information Technology Officer
- Kelly Gardner, Performance Measurement, Benchmarking and Risk
- Thao Nguyen, Director of Finance, City Treasurer
- Trevor Nakka, External Auditor, Deloitte, LLP
- Harman Gill, External Auditor, Deloitte LLP
- Lori Caltagirone, Citizen Representative, Audit Committee
- Mike Dalton, Citizen Representative, Audit Committee
- Mike Lambert, Citizen Representative, Audit Committee
- Councillor Evan Woolley, Chair of Audit Committee
- Councillor Jyoti Gondek, Vice-Chair of Audit Committee
- Councillor Gian-Carlo Carra, Audit Committee member
- Pamela Lewis, Deputy City Auditor
- Liz Ormsby, Deputy City Auditor
- Evelyn Otte, IT Audit Manager
- Alain Bleau, Manager, Whistle-Blower Program
- Andrew Sedor, Transportation Strategy
- Corrie Smillie, Executive Assistant to Audit Committee
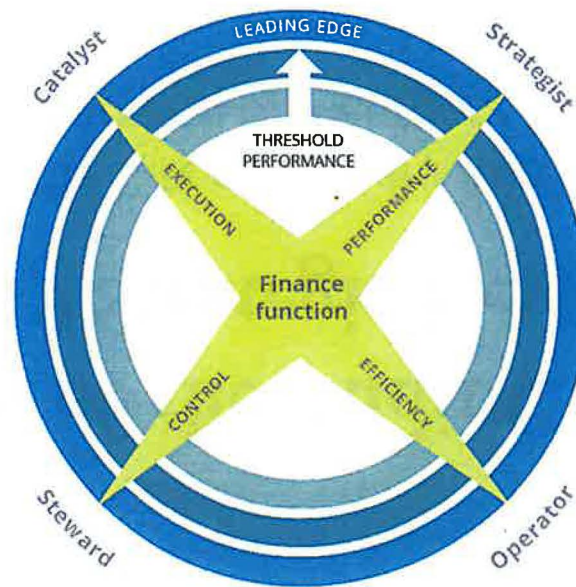- Dave Robertson, Facilitator, Mistri Consulting

CFOs play four critical roles

Catalyst
Catalyze behaviors across the organization to execute strategic and financial objectives while at the same time creating a risk intelligent culture

Strategist
Provide financial leadership in determining strategic business direction, M&A, financing, capital market and longer-term strategies vital to the future performance of the company

Steward
Protect and preserve the critical assets of the organization and accurately report on the financial position and operations to internal and external stakeholders

Operator
Balance capabilities, talent, costs and service levels to fulfill the finance organization's core responsibilities efficiently

LEADING EDGE

Catalyst

Strategist

Steward

Operator

THRESHOLD PERFORMANCE

EXECUTION

PERFORMANCE

CONTROL

EFFICIENCY

Finance function

Outcomes of the Audit Committee 2019 Strategic Review

Prepared for the City of Calgary Audit Committee
For presentation on February 13, 2020

My role

As a professional meeting facilitator, my role was to

- Plan and facilitate the strategy workshops
- Ensure all committee members were heard on important concerns
- Help committee members come to consensus on complex issues
- Ensure that decisions were clear, agreed upon and actionable
- Document and report decisions that were made

A more strategic role

"The diverse role of the Audit Committee at the City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management, and corporate governance."

A more strategic role

"The diverse role of the Audit Committee at the City of Calgary reflects a wider trend in North America of Audit Committees participating in more than just financial governance matters, playing an increasingly important role in oversight, risk management, and corporate governance."

February 2019: Seven strategies

1. Redefine the mandate and modernize the role of the Committee
2. Set priorities so that the important work is addressed first
3. Set aside time for strategic matters
4. Ensure that meeting agendas address strategic priorities

February 2019: Seven strategies

5. Review the membership terms of Committee members
6. Raise the profile of the Audit Committee with Council
7. Test City strategies with good questions and strategic recommendations

Approach

The Audit Committee established

- A Strategic Working Group (SWG) to determine what specific changes are required to execute these strategies

- A Bylaw Review Working Group (BRWG) to revise the Audit Committee Bylaw (48M2012) to support the recommendations of the SWG

Mandate

The SWG recommended that the mandate emphasize the Committee's role in

- Providing independent expertise and advice
- Previewing matters of material, financial or risk related impact
- Receiving proactive briefings from other committees and Administration
- Defining what areas will be reviewed annually

Process

The SWG recommended that work processes should ensure

- The annual work plan focuses on topics of strategic risk
- The City Manager presents regularly on issues of strategic risk
- The report process allows more time for strategic topics
- The committee size, quorum and member qualifications are appropriate

Work Plan for 2020

Work Plan Lessons

The SWG recommended that the development of future work plans should

- Involve collaboration with the City Auditor and Administration
- Request the City Manager and CFO to present on emerging strategic risks
- Allow time to address strategic issues as they arise
- Prioritize reporting in light of the emergence of strategic issues

What now?

The Strategic Working Group (SWG) has completed its work

The 2020 work plan was passed by the Audit Committee in January

The Bylaw Review Working Group expects an early draft of the bylaw in March

Law and Legislatives services will prepare a formal draft starting March

Thanks

Chris Stewart, Manager, Corporate Initiatives
Carla Male, Chief Financial Officer
Thao Nguyen, Director of Finance, City Treasurer
Greg Wiebe, Manager, Corporate Financial Reporting
Kathy Palmer, City Auditor
Glenda Cole, City Manager
Matthias Tita, Director, Calgary Growth Strategies and
Chair, Calgary Planning Commission
Trevor Nakka and Harman Gill, Deloitte LLP

Jeff Fielding, City Manager
Evelyn Ott, IT Audit Manager
Pam Lewis, Deputy City Auditor
Al Bleau, Manager, Whistle-Blower Program
Andrew Sedor, Business Development Coordinator,
Transportation Strategy
Kelly Gardner, Leader, Performance Measurement,
Benchmarking and Risk
Jan Bradley, Chief Information Technology Officer
Jill Mawer and Michael Mooney, Ward 8
Trevor Nakka and Harman Gill, Deloitte LLP