

Shareholder Alignment Review of Wholly-Owned Subsidiaries (Verbal), AC2020-1321

That Audit Committee:

1. Appoint a Working Group of Audit (Working Group) to oversee a Shareholder Alignment Review of Wholly-Owned Subsidiaries (Shareholder Alignment Review) with composition as follows:
 - Chair of Audit, Councillor Evan Woolley
 - 1 Councillor Member of Audit, Councillor Jeff Davison
 - 2 Citizen Members of Audit, Citizen Michael Lambert and Citizen Lori Caltagirone
 - City Auditor, Liz Ormsby
 - Manager of Treasury, Aaron Brown
 - Manager, The Office of Partnerships, Lori Kerr
 - Deputy City Solicitor, Law, Denise Jakal
 - Executive Advisor to Audit Committee, Corrie Smillie
2. Direct the Executive Advisor of Audit Committee to bring Terms of Reference for the Working Group to the 2021 January 28 Audit Committee for approval.
3. Direct that the framework for the Shareholder Alignment Review includes the following:
 - a) Review of the mandate of each subsidiary for alignment with the goals and purpose of The City of Calgary;
 - b) Review of the risk and opportunity profile presented by each subsidiary to The City of Calgary;
 - c) Review of each subsidiary's operating, financing and investing stewardship processes in place to achieve their mandates, including processes and internal controls over business planning, budgeting, capital raising, debt limitations and covenants, and investing activities;
 - d) Review the returns received by The City from the wholly-owned subsidiaries where applicable;
 - e) Review the risk management programs of subsidiaries, including programs to manage financial, physical, environmental, safety and reputational risks;
 - f) Review applicable shareholder governance documents, such as Unanimous Shareholder Agreements or other agreements, that may guide or affect the shareholder oversight of the subsidiary, and consider whether provisions for shareholder oversight are suitable to the goals, risk profile, and general requirements of the shareholder;
 - g) Review the governance model of each subsidiary, and evaluate relative to leading practices used for similar or comparable subsidiary relationships;

- h) Review the communication, reporting, and accountability of wholly-owned subsidiaries to Council, Administration and the citizens of Calgary and;
 - i) Identify any opportunities for improvement, and make recommendations, generally and individually, for the wholly-owned subsidiaries.
- 4. Direct the Working Group to oversee both the selection of an external consultant to perform the Shareholder Alignment Review as well as providing ongoing oversight of the consultant throughout the review;
- 5. Direct the Working Group to report to the 2021 January 28 Audit Committee meeting with the framework and a work plan for the Shareholder Alignment Review, considering advice, if any, that may be sought from Deloitte; and
- 6. Direct that the Closed Meeting discussions remain confidential pursuant to Section 16 and 24 of the *Freedom of Information and Protection of Privacy Act*; to be reviewed by 2035 November 19.