



**MINUTES
AUDIT COMMITTEE**

**April 20, 2021, 8:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor E. Woolley, Chair
Councillor J. Farkas, Vice-Chair (Remote Participation)
Councillor D. Colley-Urquhart (Remote Participation)
Councillor J. Davison (Remote Participation)
Citizen Representative L. Caltagirone (Remote Participation)
Citizen Representative K. Kim (Remote Participation)
Citizen Representative M. Lambert (Remote Participation)

ALSO PRESENT: Chief Financial Officer C. Male (Remote Participation)
A/City Auditor L. Ormsby (Remote Participation)
External Auditor T. Nakka (Remote Participation)
Executive Advisor C. Smillie
Legislative Advisor J. Palaschuk
Legislative Advisor D. Williams

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 8:31 a.m.

2. OPENING REMARKS

Councillor Woolley provided opening remarks.

ROLL CALL

Councillor Farkas, Councillor Davison, Councillor Colley-Urquhart, Citizen Representative Caltagirone, Citizen Representative Kim, Citizen Representative Lambert and Councillor Woolley.

3. CONFIRMATION OF AGENDA

Moved by Councillor Farkas

That the Agenda for the 2021 April 20 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, 2021 March 18

Moved by Councillor Farkas

That the Minutes of the 2021 March 18 Regular Meeting of the Audit Committee be confirmed.

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 2020 Annual Investment Report - AC2021-0535

A presentation entitled "2020 Annual Investment Report", dated 2020 April 20, was distributed with respect to Report AC2021-0535.

Moved by Citizen Representative Lambert

That with respect to Report AC2021-0535, the following be approved:

That the Audit Committee:

1. Recommends Council approval of The City of Calgary 2020 Annual Investment Report; and
2. Forward report AC2021-0535 to the 2021 April 26 Strategic Meeting of Council.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.2 The City of Calgary 2020 Annual Report - AC2021-0485

Councillor Woolley left the Chair at 9:27 a.m. and Vice-Chair Farkas assumed the Chair remotely.

Councillor Woolley resumed the Chair at 9:29 a.m. and Councillor Farkas returned to his seat at Committee remotely.

A presentation entitled "The City of Calgary 2020 Annual Report", dated 2020 April 20, was distributed with respect to Report AC2021-0485.

Moved by Councillor Colley-Urquhart

That with respect to Report AC2021-0485, the following be approved:

That the Audit Committee:

1. Consider this report in conjunction with Report AC2021-0460 "2020 External Auditor's Year-End Report";
2. Recommends Council approval of The City of Calgary 2020 Annual Report; and
3. Forward to the 2021 April 26 Strategic Meeting of Council.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.3 2020 External Auditor Year-End Report - AC2021-0560

Moved by Councillor Colley-Urquhart

That with respect to Report AC2021-0560, the following be approved:

That the Audit Committee:

1. Conduct a Closed Meeting discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of the public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2026 April 20;
2. Receive this Report and Attachments for the Corporate Record and consider them in conjunction with Report AC2021-0485, The City of Calgary 2020 Annual Report;
3. Direct that this Report and Attachments be forwarded to the 2021 April 26 Strategic Council Meeting;
4. Recommend that Council receives Report AC2021-0560, 2020 External Auditor's Year-End Report, and the Attachments, for information and the Corporate Record; and
5. Keep Attachment 2 and the Closed Meeting discussions with the External Auditor confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of the public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2026 April 20.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.4 City Auditor's Office 1st Quarter 2021 Report - AC2021-0580

Councillor Woolley left the Chair at 10:46 a.m. and Vice-Chair Farkas assumed the Chair remotely.

Councillor Woolley resumed the Chair at 10:49 a.m. and Councillor Farkas returned to his seat at Committee remotely.

Moved by Citizen Representative Lambert

That with respect to Report AC2021-0580 the following be approved:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.5 Shareholder Alignment Review of Wholly-Owned Subsidiaries Update - AC2021-0214

Moved by Councillor Davison

That with respect to Report AC2021-0214 the following be approved:

That Audit Committee receive this report for information and the Corporate Record.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.6 External Auditor Update on Off-Site Levy Assurance Procedures - AC2021-0545

Moved by Councillor Farkas

That with respect to Report AC202-0545 the following be approved:

That the Audit Committee:

1. Receive this report and attachment for the Corporate Record; and
2. Keep the Closed Meeting discussions confidential pursuant to Section 24 (Advice from Officials) and 26 (Testing procedures, tests and audits) of the

Freedom of Information and Protection of Privacy Act, to be reviewed 2022 April 20.

For: (6): Councillor Woolley, Councillor Farkas, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

Against: (1): Councillor Colley-Urquhart

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Councillor Farkas

That pursuant to Sections 19 (Confidential evaluations), 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting at 11:09 a.m., in the Council Boardroom, to discuss confidential matters with respect to the following Items:

- 10.1.1 Audit Forum (Verbal) - AC2021-0489
- 10.1.2 External Auditor (Verbal) - AC2021-0490
- 10.1.3 City Auditor (Verbal) - AC2021-0491
- 10.1.4 External Auditor Annual Renewal (Verbal) - AC2021-0584

And further, the Trevor Nakka, Harman Gill, Erica Vervoort and Ivanna Cvitanusic, External Auditors (Deloitte LLP), be invited to attend the Closed Meeting.

By General Consent, pursuant to Section 6(1) of Procedure Bylaw 35M2017, Committee suspend Section 78(2)(a) of the Procedure Bylaw in order to complete the remainder of the Agenda prior to the lunch recess.

MOTION CARRIED

Committee reconvened in public meeting at 12:21 p.m. with Councillor Woolley in the Chair.

ROLL CALL

Councillor Farkas, Councillor Davison, Councillor Colley-Urquhart, Citizen Representative Caltagirone, Citizen Representative Kim, Citizen Representative Lambert and Councillor Woolley.

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) - AC2021-0489

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2021-0489:

Clerks: D. Williams and J. Palaschuk. Advice: C. Male, L. Ormsby, L. Tochor, and C. Smillie. External Advice: T. Nakka, H. Gill, I. Cvitanusic, and E. Vervoort.

Moved by Councillor Farkas

That with respect to Confidential Verbal Report AC2021-0489, the following be approved:

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

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

10.1.2 External Auditor (Verbal) - AC2021-0490

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2021-0490:

Clerks: D. Williams and J. Palaschuk. Advice: C. Smillie. External Advice: T. Nakka, H. Gill, I. Cvitanusic, and E. Vervoort.

Moved by Citizen Representative Caltagirone

That with respect to Confidential Verbal Report AC2021-0490, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

10.1.3 City Auditor (Verbal) - AC2021-0491

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2021-0491:

Clerks: D. Williams and J. Palaschuk. Advice: L. Ormsby, A. Bleau, and C. Smillie.

Moved by Councillor Colley-Urquhart

That with respect to Confidential Verbal Report AC2021-0491, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Sections 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

10.1.4 External Auditor Annual Renewal (Verbal) - AC2021-0584

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2021-0584:

Clerks: D. Williams and J. Palaschuk. Advice: C. Smillie.

Moved by Councillor Colley-Urquhart

That with respect to Confidential Verbal Report AC2021-0584, the following be approved:

That the Audit Committee:

1. Approve the annual renewal of the External Auditor's contract with the City of Calgary, effective 2021 May 01; and
2. Keep the Closed Meeting discussions confidential pursuant to Sections 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Farkas

That this meeting adjourn at 12:28 p.m.

MOTION CARRIED

The following items have been forwarded to the 2021 April 26 Strategic Meeting of Council:

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 2020 Annual Investment Report, AC2021-0535
- 2020 City of Calgary Annual Report, AC2021-0485
- 2020 External Auditor's Year-End Report, AC2021-0560

The following item has been forwarded to the 2021 May 10 Combined Meeting of Council:

CONSENT:

- City Auditor's Office 2021 1st Quarter Report, AC2021-0580

The next Regular Meeting of the Audit Committee is scheduled to be held on 2021 May 20 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK