

**ENMAX Corporation Report to
Audit Committee
2021 June 24**

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AC2021-0941
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ENMAX Corporation 2020 Annual Report

RECOMMENDATION(S):

That Audit Committee:

1. Receive this report and presentation for the Corporate Record; and
2. Keep Attachments 1, 2, 8, 10, 11, 17, 18, 19, 22, 23 and the Closed Meeting discussions confidential pursuant to Sections 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*; to be reviewed 2036 June 24.

HIGHLIGHTS

- This report is in response to the Audit Committee's request for a presentation on governance, financial and performance reporting, risk management and talent and culture insights.
- What does this mean to Calgarians? Citizens are provided assurance that the Audit Committee has oversight of the City of Calgary's civic partners.
- Why does it matter? Investment in civic partners is significant and ensuring these entities have good governance, financial and performance reporting, risk management and talent and culture practices aligns with Council's citizen priorities.
- The Audit Committee 2021 Work Plan includes a presentation from five civic partners on their 2020 annual report and ENMAX Corporation was one of the partners selected to present this year.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- The Audit Committee Bylaw 33M2020 provides that Audit Committee oversees its governance responsibility with audit committees of The City's major autonomous civic entities, as determined by the Audit Committee.

DISCUSSION

The Audit Committee requested information on governance, financial and performance reporting, risk management and talent and culture insights be provided to the Committee by ENMAX Corporation, as follows:

Governance

1. A brief outline of your organization's governance structure including board committees, term lengths and limits, skills matrix, evaluation, succession and recruitment planning for all positions.
2. Specific to your organization's board committees:
 - (a) What is the frequency of review of the compositions and Terms of Reference, and are there any recent changes to the Committee Charter or Terms of Reference?
 - (b) What frequency does the board's governance committee regularly assess board composition to ensure the board has the requisite skills, competencies, diversity and independence to provide oversight required by the organization (e.g. financial, legal and risk oversight)?

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- (c) What is the current composition of the Audit Committee including relevant financial experience?
- (d) What is your Audit Committee's 2021 Work Plan?

Financial and Performance Reporting

3. Brief summary of your organization's recent financial highlights and key 2021 initiatives/strategy.
4. How has the board considered environmental, social factors and metrics into its 2021 planning, and beyond?
5. What initiatives are currently in progress to improve the efficiency of your processes (e.g. sustainable operations, key performance indicators and relevance of the organization in the future)?
6. Are there any regulatory or market changes that impacted the business approach in 2020 and would they be relevant to share publicly with the Audit Committee?
7. Please provide the most recent management letter including management responses as appropriate.

Enterprise Risk Management

8. What are your organization's principal risks including financial and operational as well risk management policies and procedures?
9. How is the principal risks oversight assigned, tracked and monitored by the board?
10. What internal controls are in place to manage risk including information technology and systems?
11. What frequency does the board continually evaluate oversight controls, processes and disclosure?
12. Are there any results of regulatory or internal/external business assessments that provide assurance on the effective management of the principal risks as addressed in your presentation?

Talent and Culture

13. Have there been any significant changes to your organization's executive leadership?
14. How are the board's diversity goals included in your organization's corporate governance framework to ensure diversity is promoted for the board, executive and organization?
15. What mechanisms are in place to support concerns of management and employees?
16. Describe the board's compensation strategy including retention and morale; pay ratios; transparency; views of the shareholder and stakeholders; and long-term strategy and objectives.

Attachments to this report have been provided by ENMAX Corporation to address Audit Committee's request.

ATTACHMENT(S)

1. Letter from Chair ENMAX Audit Committee – CONFIDENTIAL
2. ENMAX Corporation Annual Report, Governance and Financial Insight – CONFIDENTIAL
3. ENMAX Overview
4. ENMAX and the City of Calgary

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5. Investing in Calgary's Future
6. Versant Power Overview
7. Audit Committee Mandate
8. Audit Committee Workplan - CONFIDENTIAL
9. ENMAX Annual Governance and Compensation Report 2020
10. 2020 Year End External Auditor Report – CONFIDENTIAL
11. Management Letter of Business Insights with Responses - CONFIDENTIAL
12. Principles of Business Ethics Policy
13. Board Diversity Policy
14. Q1 2021 Financial Report
15. 2020 Audited Consolidated Financial Statements
16. ENMAX 2020 Environmental Social Governance Report
17. Commodity Risk Management Policy – CONFIDENTIAL
18. Enterprise Risk Management Policy – CONFIDENTIAL
19. 2021 Q1 Risk Report – CONFIDENTIAL
20. Executive Team Member Profiles
21. ENMAX Board of Directors Member Profiles
22. Safety and Ethics Helpline Standard - CONFIDENTIAL
23. Safe and Respectful Workplace Standard - CONFIDENTIAL