



**MINUTES**

**AUDIT COMMITTEE**

**July 22, 2021, 9:30 AM  
ENGINEERING TRADITIONS**

**PRESENT:** Councillor E. Woolley, Chair  
Councillor J. Farkas, Vice-Chair  
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  
External Auditor T. Nakka (Remote Participation)  
Executive Advisor C. Smillie  
Legislative Coordinator M. A. Cario  
Legislative Advisor D. Williams

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 9:36 a.m.

2. OPENING REMARKS

Councillor Woolley provided opening remarks.

ROLL CALL

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

3. CONFIRMATION OF AGENDA

**Moved by** Councillor Farkas

That the Agenda for the 2021 July 22 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 June 24

**Moved by** Councillor Farkas

That the Minutes of the 2021 June 24 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 Principal Corporate Risk Update - (Verbal), AC2021-1030

A presentation entitled "Principal Corporate Risk Update-(Verbal)", dated 2021 July 22 was distributed with respect to Report AC2021-1030.

**Moved by** Citizen Representative Caltagirone

That with respect to Verbal Report AC2021-1030, the following be approved:

That the Audit Committee receive this presentation for information and the Corporate Record pursuant to Bylaw 32M2020, Schedule A, Section 5.

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

**MOTION CARRIED**

7.2 Integrated Risk Management Mid-Year Update (Including Information Technology), AC2021-1029

A presentation entitled "Integrated Risk Management Mid-Year Update (Including IT)", dated 2021 July 22 was distributed with respect to Report AC2021-1029.

**Moved by** Citizen Representative Caltagirone

That with respect to Report AC2021-1029, the following be approved:

That Audit Committee recommends that Council:

1. Receive Report AC2021-1029 and the presentation for information and discussion pursuant to Audit Committee Bylaw 33M2020, Section 5 (c); and
2. Keep Attachment 4 confidential pursuant to Sections 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*; to be reviewed by 2026 July.

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 Calgary Police Commission 2020 Report, AC2021-1049

Councillor Woolley left the Chair at 10:41 a.m. and Vice Chair Farkas assumed the Chair.

Councillor Woolley resumed the Chair at 10:43 a.m. and Councillor Farkas returned to his seat in Committee.

**Moved by** Citizen Representative Lambert

That with respect to Report AC2021-1049, the following be approved:

That Audit Committee receive this report and presentation 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**

7.4 External Auditor Management Letter for Off-Site Levy Balances Audit, AC2021-1062

A letter from BILD and NAIOP Calgary, dated 2021 July 21 was distributed with respect to Report AC2021-1062.

Councillor Davison left the meeting at 11:41 a.m. remotely.

**Moved by** Citizen Representative Lambert

That with respect to Report AC2021-1062, the following be approved:

That Audit Committee recommends that Council receives this Report and Attachment for the Corporate Record.

For: (6): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

**MOTION CARRIED**

7.5 External Auditor 2021 Audit Service Plan, AC2021-1048

**Moved by** Citizen Representative Kim

That with respect to Report AC2021-1048, the following be approved:

That the Audit Committee:

1. Reviews and approves the Deloitte 2021 Audit Service Plan (Attachment); and
2. Recommends that Council receive this Report and the Attachment for the Corporate Record.

For: (6): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

**MOTION CARRIED**

7.6 City Auditor's Office 2nd Quarter 2021 Report, AC2021-1100

**Moved by** Councillor Farkas

That with respect to Report AC2021-1100, the following be approved:

That the Audit Committee:

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

For: (6): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

**MOTION CARRIED**

By General Consent, pursuant to Section 6(1) of Procedure Bylaw 35M2017, Committee suspended Section 78(1)(a) of the Procedure Bylaw in order to change the lunch recess to 30 minutes.

Committee recessed at 12:15 p.m. and reconvened at 12:45 p.m. with Councillor Woolley in the Chair.

ROLL CALL

Citizen Representative Caltagirone, Citizen Representative Kim, Citizen Representative Lambert, Councillor Farkas, and Councillor Woolley

Absent for Roll Call Councillor Colley-Urquhart and Councillor Davison

7.7 Industrial Control Systems Security Audit, AC2021-1099

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1099:

Clerks: MA Cario and D. Williams. Advice: C. Male, D. Morgan, L. Ormsby, E. Otte, T. Scherpenisse, V. Tran, A. Cohen, K. Colbran, B. Labrenz, and C. Smillie. External: T. Nakka, H. Gill, I. Cvitanusic and E. Vervoort and D. Mulay.

**Moved by** Citizen Representative Caltagirone

That with respect to Report AC2021-1099, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record;
2. Recommend that Council receive this report for the Corporate Record; and
3. Recommend that Attachment 1 to Report AC2021-1099 remain confidential pursuant to Sections 20 (Disclosure harmful to law enforcement) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by July 22, 2036.

**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 Davison

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 17 (Disclosure harmful to personal privacy), 19 (Confidential evaluations), 20 (Disclosure harmful to law enforcement), 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body) and 27 (Privileged Information) of the *Freedom of Information and Protection of Privacy*

Act, Committee moved into Closed Meeting at 12:58 p.m., in the Engineering Committee Boardroom, to discuss confidential matters with respect to the following Items:

- 7.7 Industrial Control Systems Security Audit, AC2021-1099
- 10.1.1 Shareholder Alignment Review of Wholly-Owned Subsidiaries, AC2021-1061
- 10.1.2 Audit Forum (Verbal), AC2021-1044
- 10.1.3 External Auditor (Verbal), AC2021-1045
- 10.1.4 City Auditor (Verbal), AC2021-1046
- 10.1.5 External Auditor 2020 – 2021 Performance Assessment, AC2021-1047

And further, that following be invited to attend the Closed Meeting, Harman Gill, Trevor Nakka, Daksha Mulay, Erica Vervoort and Ivana Cvitanusic, External Auditors (Deloitte LLP); and

Karun Gautam, Max Yusipenko, Lance Mortlock, Hindul Bhardwaj, Ernst & Young.

**MOTION CARRIED**

Committee reconvened in public meeting at 2:35 p.m. with Councillor Woolley in the Chair.

#### 10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

##### 10.1.1 Shareholder Alignment Review of Wholly-Owned Subsidiaries, AC2021-1061

A confidential presentation was distributed with respect to Report AC2021-1061.

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1061:

Clerks: MA Cario and D. Williams. Advice: C. Male, L. Tochor, L. Kerr, A. Brown, D. Jakal, L. Ormsby, and C. Smillie. External: T. Nakka, H. Gill, I. Cvitanusic, E. Vervoort, D. Mulay, K. Gautam, M. Yusipenko, L. Mortlock and H. Bhardwaj.

**Moved by** Councillor Davison

That with respect to Report AC202-1061, the following be approved:

That Audit Committee approve the Working Group Recommendations:

1. Request the external consultant, Ernst & Young, engage with the wholly-owned subsidiaries no later than 2021 September 1 to receive their response and feedback;
2. Refer this Report to Administration to work with the external consultant and to return to the 2021 September 9 Audit Committee meeting with the development of a plan for Council's consideration in

moving forward on the external consultant's recommendations together with any further recommendations;

3. Disband the Working Group for the Shareholder Alignment Review of Wholly-Owned Subsidiaries and that they be thanked for their contributions and oversight; and
4. Keep the Report, Attachment 2, and Closed Meeting discussions confidential pursuant to Section 24 (Advice from Officials) of the *Freedom of Information and Protection of Privacy Act*, until Council rises and reports on this matter at the 2021 September 13 Combined Meeting.

**MOTION CARRIED**

10.1.2 Audit Forum (Verbal), AC2021-1044

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1044:

Clerks: MA Cario and D. Williams. Advice: C. Male, L. Ormsby, L. Tochor, D. Hamilton and C. Smillie. External: T. Nakka, H. Gill, I. Cvitanusic, E. Vervoort and D. Mulay.

**Moved by** Citizen Representative Caltagirone

That with respect to report AC2021-1044, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 17 (Disclosure harmful to personal privacy), 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*.

**MOTION CARRIED**

10.1.3 External Auditor (Verbal), AC2021-1045

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1045:

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

**Moved by** Councillor Farkas

That with respect Verbal Report AC2021-1045, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Sections 23 (Local public body confidences) and 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*.

**MOTION CARRIED**

10.1.4 City Auditor (Verbal), AC2021-1046

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1046:

Clerks: MA Cario and D. Williams. Advice: L. Ormsby, A. Bleau and C. Smillie.

**Moved by** Councillor Farkas

That with respect Verbal Report AC2021-1046, 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*.

**MOTION CARRIED**

10.1.5 External Auditor 2020 – 2021 Performance Assessment, AC2021-1047

People in attendance during the Closed Meeting discussions with respect to Report AC2021-1047:

Clerks: MA Cario and D. Williams. Advice: C. Male and C. Smillie.

**Moved by** Citizen Representative Kim

That with respect to Report AC202-1047, the following be approved:

That Audit Committee:

1. Approve the Administration Recommendations; and
2. Direct that this Report, Recommendations and Closed Meeting discussions remain confidential 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* to be reviewed by 2036 July 22.

**MOTION CARRIED**

10.2 URGENT BUSINESS

None



11. ADJOURNMENT

**Moved by** Councillor Farkas

That this meeting adjourn at 2:40 p.m.

**MOTION CARRIED**

The following items have been forwarded on to the 2021 September 13 Combined Meeting of Council:

**CONSENT**

Integrated Risk Management Mid-Year Update (Including Information Technology), AC2021-1029

External Auditor Management Letter for Off-Site Levy Balances Audit, AC2021-1062

External Auditor 2021 Audit Service Plan, AC2021-1048

City Auditor's Office 2nd Quarter 2021 Report, AC2021-1100

Industrial Control Systems Security Audit, AC2021-1099

The next Regular Meeting of the Audit Committee is scheduled to be held on 2021 September 09 at 1:00 p.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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ACTING CITY CLERK