

ENMAX AUDIT COMMITTEE 2015 ANNUAL REPORT

EXECUTIVE SUMMARY

This is ENMAX Corporation's annual financial, governance and risk status report for 2015, for presentation to the City of Calgary's Audit Committee.

RECOMMENDATIONS:

That the Audit Committee:

1. Receives this Report for information; and
2. Directs that Attachments 1, 6, 7a, 7b and 8, and the in-camera discussions related to those Attachments, remain confidential pursuant to Sections 24(1)(a), 25(b) and 25(c) of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw 48M2012 states that the Audit Committee is responsible for:

"coordinating its governance responsibility with audit committees of The City's major autonomous civic entities."

Section 4(1)(i)

BACKGROUND

A letter dated 2016 April 4 was provided to the Audit and Finance Committee Chair of ENMAX Corporation from the City of Calgary Audit Committee Chair requesting a report and presentation from ENMAX on its 2015 Annual Report. The letter outlined the items to be provided in their annual report to The City's Audit Committee, as follows:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2016 initiatives/strategy;
2. Report on organization's key operating and strategic risks including trends and risk management plans and processes;
3. Analysis of the top three risks that would impact the City of Calgary and/or be of concern to the City's Audit Committee;
4. Report on internal controls including information technology and systems; and
5. Most recent financial report including management responses as appropriate.

Further, ENMAX presenters were asked to be prepared to answer the following questions:

1. What is the frequency of review and are there any recent changes to the Audit Committee Charter or Terms of Reference?
2. What is the current composition of the Audit Committee and what is their relevant financial experience?
3. Have there been any significant changes to organizational leadership?
4. Are there any regulatory or market changes that may impact the current business approach and would be relevant to share publicly with the Audit Committee?

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5. Are there any results of any regulatory or internal/external business assessments that provide assurance on the effective management of risks as addressed in your presentation?

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This Report and Attachments is submitted to the Audit Committee in support of the Audit Committee discharging its governance responsibilities as outlined in the Audit Committee Bylaw 48M2012.

Stakeholder Engagement, Research and Communication

No implications for this Report.

Strategic Alignment

No implications for this Report.

Social, Environmental, Economic (External)

No implications for this Report

Financial Capacity

Current and Future Operating Budget:

Not applicable.

Current and Future Capital Budget:

Not applicable.

Risk Assessment

No implications for this Report.

REASON FOR RECOMMENDATION:

This Report is for information only and is provided pursuant to the Audit Committee Bylaw 48M2012.

ATTACHMENTS

1. Letter from Chair, ENMAX Audit Committee – CONFIDENTIAL
2. Overview and Highlights
3. Audit Committee Mandate
4. Audit Committee Workplan
5. Audit Committee Member Profiles
6. Enterprise Risk Management Process – CONFIDENTIAL
- 7a. 2016 Internal Audit Charter – CONFIDENTIAL
- 7b. 2016 Internal Audit Plan – CONFIDENTIAL
8. 2015 Auditor Report – CONFIDENTIAL
9. 2015 Consolidated Financial Statements