

CALGARY MUNICIPAL LAND CORPORATION 2015 ANNUAL REPORT AND RISK MANAGEMENT PROCESSES

EXECUTIVE SUMMARY

Annual report to The City's Audit Committee from the Calgary Municipal Land Corporation's (CMLC) Audit Committee.

ADMINISTRATION RECOMMENDATION(S)

That the Audit Committee receives this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

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

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

Section 4(1)(i)

BACKGROUND

A letter dated 2016 March 30 was provided to the Chairman of the Calgary Municipal Land Corporation from the Audit Committee Chairman, outlining what items should be provided in the annual report:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2016 initiatives/strategy;
2. Report on your organization's key operating and strategic risks including trends and risk management plans and processes;
3. Analysis of the top three risks that in your opinion 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, during their presentation, the Calgary Municipal Land Corporation was asked to prepare responses to 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?
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?

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The Attachments update the information provided in the Calgary Municipal Land Corporation 2015 annual report to the Audit Committee.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This report responds to The City Audit Committee's reporting requirements of the CMLC Board.

In 2005 the City's Audit Committee initiated a review of The City's governance structures pertaining to its main subsidiary organizations, and autonomous civic entities that represent significant assets to The City of Calgary and/or have significant operating budgets.

This annual report from the CMLC Board is one of the changes that were implemented as part of the governance review. As such, this eight annual report is intended to be an ongoing dialogue between The City of Calgary and The CMLC Board. It is anticipated the annual report from the CMLC Board will continue to evolve over time to meet The City Audit Committee's information requirements in discharging its governance responsibilities.

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:

There are no budget implications for this report.

Current and Future Capital Budget:

There are no budget implications for this report.

Risk Assessment

No implications for this report.

REASON(S) FOR RECOMMENDATION(S):

This report is for information only and is provided pursuant to Audit Committee Bylaw 48M2012 with respect to the annual reporting requirements for civic entities.

ATTACHMENT(S)

1. CMLC Audit Committee Terms of Reference.
2. CMLC Audit Committee 2016 Work Plan.
3. CMLC Control Environment Assessment.
4. CMLC Risk Register.

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5. Deloitte - CMLC 2015 Audit Results and Communications.
6. CMLC 2015 Financial Statements and Auditor's Report.