

ENMAX AUDIT AND FINANCE COMMITTEE 2014 ANNUAL REPORT

EXECUTIVE SUMMARY

This is ENMAX Corporation's annual financial, governance and risk status report for 2014, 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 2015 May 21 was provided to the Audit and Risk Committee Chair of ENMAX Corporation from the City of Calgary Audit Committee Chair requesting a report and presentation from ENMAX on its 2014 Annual Report. The letter outlined the items to be provided in their annual report to The City's Audit Committee, as follows:

1. Summary on ENMAX's governance structure, recent financial highlights and key 2015 initiatives / strategy;
2. Risk report on key operating and strategic risk and mitigation plans;
3. Recent external auditor report including management responses, as appropriate; and
4. Recent financial report (which may capture item 3).

Further, during their presentation, ENMAX 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 2014 ENMAX report to the Audit Committee.

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, Audit Finance & Risk Committee - CONFIDENTIAL
2. Overview and Highlights
3. Audit, Finance & Risk Committee Mandate
4. Audit, Finance & Risk Committee Annual Workplan
5. Audit, Finance and Risk Committee Member Profiles
6. Enterprise Risk Management Process – CONFIDENTIAL
- 7a. 2015 Internal Audit Charter – CONFIDENTIAL
- 7b. 2015 Internal Audit Plan – CONFIDENTIAL
8. 2014 Auditor Report – CONFIDENTIAL
9. 2014 Audited Consolidated Financial Statements