

CALGARY HOUSING COMPANY 2014 ANNUAL REPORT

EXECUTIVE SUMMARY

This is the annual report and risk management processes presentation to the City's Audit Committee from the Audit and Risk Management Committee of Calhome Properties Ltd. operating as Calgary Housing Company (CHC).

RECOMMENDATION:

That the Audit Committee receives this report for information.

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 the Calgary Housing Company from the City of Calgary Audit Committee Chairman outlining what items should be provided in the annual report, as follows:

1. Summary on CHC'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, the Calgary Housing Company 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?

The Attachments update the information provided in the 2014 Calgary Housing Company report to the Audit Committee.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

This report and attachments addresses The City Audit Committee's reporting requirements of the CHC.

Stakeholder Engagement, Research and Communication

This is an annual report intended to be an ongoing dialogue between The City of Calgary and CHC. It is anticipated the annual report will continue to evolve over time to meet The City Audit Committee's information requirements in discharging its governance responsibilities.

Strategic Alignment

Annual reporting to the City Audit Committee aligns with the Council Priority of *a well-run city* through open, responsive, accountable and transparent reporting. In addition, it supports the CHC Board Priorities to *Sustain Fiscal Responsibility* and *Increase Organizational Effectiveness* through diligent management and reporting of financial, governance and risk management obligations.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

No implications have been identified with this report.

Current and Future Capital Budget:

No implications have been identified with this report.

Risk Assessment

A risk report is included as part of the attachments for this report.

REASON FOR RECOMMENDATION:

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

ATTACHMENTS

1. CHC Audit and Risk Management Committee Terms of Reference and Work Plan
2. CHC Audit and Risk Management Committee Members' Qualifications and Experience
3. Deloitte Calhome Properties Ltd., 2014 Audit service plan
4. Deloitte 2014 Year-end communication, Calhome Properties Ltd.
5. CHC 2014 Financial Statements, Calhome Properties Ltd.
6. CHC Annual Report To The City Audit Committee (PowerPoint Presentation)