



MINUTES

AUDIT COMMITTEE

HELD 2015 APRIL 23 AT 9:30 AM
IN THE ENGINEERING TRADITIONS COMMITTEE ROOM

PRESENT:

Councillor R. Pootmans, Chair
Councillor E. Woolley, Vice-Chair
Councillor J. Magliocca
Councillor W. Sutherland
Citizen Representative, Mr. B. Day
Citizen Representative, Mr. B. Fitzsimmons
Citizen Representative, Mr. R. Ghosh

ALSO PRESENT:

Chief Financial Officer E. Sawyer
City Auditor K. Palmer
Executive Assistant P. Frank
External Auditor T. Nakka
Legislative Assistant C. Smillie

This meeting was conducted in accordance with the Procedure Bylaw 44M2006, as amended.

1. CONFIRMATION OF AGENDA

CONFIRM AGENDA, Moved by Councillor Woolley, that the Agenda for the 2015 April 23 Regular Meeting of the Audit Committee be confirmed.

CARRIED

2. CONFIRMATION OF THE MINUTES

2.1 MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE, 2015 MARCH 12

CONFIRM MINUTES, Moved by Councillor Magliocca, that the Minutes of the 2015 March 12 Regular Meeting of the Audit Committee be confirmed.

CARRIED

3. NEW BUSINESS

3.1 2014 CITY OF CALGARY ANNUAL REPORT, AC2015-0344

DISTRIBUTION

At the request of Administration, and with the concurrence of the Chair, the Legislative Assistant distributed copies of the following documents with respect to Report AC2015-0344.

- Powerpoint presentation entitled "AC2015-0344, 2014 The City of Calgary Annual Report"
- Document entitled "The City of Calgary, Changes to the 2014 Annual Report"

CLERICAL CORRECTION

Mr. Day noted a clerical correction to Report AC2015-0344 on Page 2 of 5, under the Heading "Prior Period Adjustments", second paragraph, 9th line, by the deletion of the sum "\$13,220 million" following the words "\$13,617 million to" and by the substitution of the sum "\$13,630 million".

APPROVE, Moved by Mr. Ghosh, that the Administration Recommendations contained in Report AC2015-0344 be approved, **after amendment**, as follows:

That the Audit Committee:

1. Recommends Council approval of the 2014 City of Calgary Annual Report, **after clerical correction**; and
2. Forward to Council as a matter of Urgent Business to the 2015 April 27 Regular meeting of Council.

Further, that the Audit Committee directs that the colour bound copy of the Attachment contained in today's Audit Agenda, be brought to the 2015 April 27 Regular Meeting of Council as this uncorrected version of the 2014 City of Calgary Annual Report will not be reproduced.

And further, that Administration be directed to provide a corrected colour bound version of the 2014 City of Calgary Annual Report for distribution at the Regular Meeting of Council, as detailed in the corrections contained in the distributed document (Attachment 2).

CARRIED

3.2 2014 EXTERNAL AUDITOR'S REPORT, AC2015-0375

IN CAMERA, Moved by Councillor Woolley that in accordance with Section 197(2) of the *Municipal Government Act* and Sections 24(1)(a) and 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move in camera, at 10:12 a.m., in order to consider a confidential matter with respect to Report AC2015-0375.

CARRIED

The Audit Committee moved into public session at 10:26 a.m. with Councillor Pootmans in the Chair.

RISE AND REPORT, Moved by Councillor Woolley, that the Audit Committee rise and report.

CARRIED

APPROVE, Moved by Mr. Day, that the Administration Recommendations contained in Report AC2015-0375 be approved, **after amendment**, as follows:

That the Audit Committee:

1. Receive this Report **and Attachment for information**;
2. Recommends that this Report be forwarded to the 2015 April 27 meeting of Council as an item of Urgent Business;
3. Recommends that Council receives the **Report and Attachment**, 2014 External Auditor's Report, for information; and

4. Keep the In Camera discussion with the External Auditor confidential pursuant to Sections 24(1)(a) and 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

3.3 2014 ANNUAL INVESTMENT REPORT, AC2015-0343

DISTRIBUTION

At the request of Administration, and with the concurrence of the Chair, the Legislative Assistant distributed copies of a powerpoint presentation entitled "AC2015-0343, 2014 Annual Investment Report", with respect to Report AC2015-0343.

APPROVE, Moved by Councillor Sutherland, that the Administration Recommendation contained in Report AC2015-0343 be approved, as follows:

That the Audit Committee recommends that Council receive the 2014 Annual Investment Report for information.

CARRIED

3.4 CONTROL ENVIRONMENT ASSESSMENT AND MANAGEMENT REPRESENTATIONS UPDATE, AC2015-0345

APPROVE, Moved by Councillor Woolley, that the Administration Recommendation contained in Report AC2015-0345 be approved, as follows:

That the Audit Committee receives this report for information.

CARRIED

3.5 CITY AUDITOR'S OFFICE 1ST QUARTER 2015 REPORT, AC2015-0368

APPROVE, Moved by Mr. Fitzsimmons, that the Administration Recommendations contained in Report AC2015-0368 be approved, as follows:

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

CARRIED

3.6 AUDIT COMMITTEE 1ST QUARTER STATUS REPORT, AC2015-0369

CLERICAL CORRECTION

The Executive Assistant noted a clerical correction to the Attachment contained in Report AC2015-0369 on Page 6 of 6, with respect to the Status of the Attainable Homes Calgary Corporation Presentation to Audit Committee as contained in AC2014-0814, by the insertion of the words "Completed March 2015, AC2015-0309".

APPROVE, Moved by Councillor Magliocca, that the Administration Recommendations contained in Report AC2015-0369 be approved, as follows:

That Audit Committee Receives this Report for Information.

CARRIED

4. IN CAMERA ITEMS

IN CAMERA, Moved by Councillor Woolley that in accordance with Section 197(2) of the *Municipal Government Act* and Sections 24(1)(a)(b)(c) and (d), 25(1)(b) and (c) and 26(a) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move in camera, at 11:29 a.m. in order to consider several confidential matters.

CARRIED

The Audit Committee moved into public session at 12:37 p.m. with Councillor Pootmans in the Chair.

RISE AND REPORT, Moved by Councillor Woolley, that the Audit Committee rise and report.

CARRIED

4.1 SELECTION OF SPECIAL STUDIES AND PERFORMANCE AUDITS FOR 2015, AC2015-0370

REFER, Moved by Councillor Woolley, that Report AC2015-0370, be referred, as follows:

1. **That the Audit Committee refer Report AC2015-0370, to the Executive Assistant to the Audit Committee, to return to the 2015 May 21 Regular Meeting with additional information as discussed at today's In Camera Meeting; and**
2. That Audit Committee directs that this Report and discussion remain confidential pursuant to Sections 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.2 PRESENTATION REQUESTS FOR CIVIC ENTITIES, AC2015-0376

APPROVE, Moved by Councillor Magliocca, that the Administration Recommendations contained in Report AC2015-0376 be approved, as follows:

1. That Audit Committee direct the Chair of Audit Committee to send out a letter to the major autonomous civic entities that requests the following be addressed in their presentations:
 - a) Brief summary/PowerPoint on governance structure, recent financial highlights and key 2015 initiatives/strategy;
 - b) Risk report on key operating and strategic risks and mitigation plans;
 - c) Most recent external auditor report including management responses as appropriate; and
 - d) Most recent financial report (which may capture (c) above).
2. That the Audit Committee direct that additional guidance be provided to the major autonomous civic entities by preparing them to answer these questions:
 - a) What is the frequency of review and are there any recent changes to the Audit Committee Charter or Terms of Reference;

- b) What is the current composition of the Audit Committee and what is their relevant financial experience;
 - c) Has there been any significant changes to organizational leadership:
 - d) Are there any recent regulatory or market changes that may impact the current business approach and would be relevant to share publicly with the Audit Committee; and
 - e) 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.
3. That Audit Committee directs that this Report and In Camera discussions remain confidential pursuant to Sections 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.3 AUDIT FORUM - VERBAL REPORT, AC2015-0371

APPROVE, Moved by Councillor Sutherland, that with respect to the Verbal Report AC2015-0371, the following be approved:

That the Audit Committee:

1. Receive the Audit Forum - Verbal Report, for information; and
2. Keep the Verbal Report and In Camera discussions confidential pursuant to Sections 24(1)(a)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.4 EXTERNAL AUDITOR - VERBAL REPORT, AC2015-0372

APPROVE, Moved by Mr. Day, that with respect to the Verbal Report AC2015-0372, the following be approved:

That the Audit Committee:

1. Receive the External Auditor - Verbal Report, for information; and
2. Keep the Verbal Report and In Camera discussions confidential pursuant to Sections 24(1)(a)(b) and (c) and 26(a) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.5 CITY AUDITOR - VERBAL REPORT, AC2015-0279

RECEIVE FOR CORPORATE RECORD

With the concurrence of the Chair, the Legislative Assistant received for the Corporate Record a confidential document from the City Auditor, which is to remain confidential pursuant to Sections 24(1)(a)(b)(c) and (d), with respect to Report AC2015-0279.

APPROVE, Moved by Councillor Woolley, that with respect to Report AC2015-0279 the following be approved:

That the Audit Committee:

1. Receive the City Auditor - Verbal Report, for information; and
2. Keep the Verbal Report, document received for the Corporate Record and In Camera discussions confidential pursuant to Sections 24(1)(a)(b)(c) and (d) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.6 CHIEF FINANCIAL OFFICER - VERBAL REPORT, AC2015-0373

The Chief Financial Officer had nothing to Report.

4.7 CHAIR OF AUDIT COMMITTEE - VERBAL REPORT, AC2015-0374

The Chair of Audit Committee had nothing to Report.

5. ADJOURNMENT

ADJOURN, Moved by Councillor Woolley, that this meeting adjourn at 12:40 p.m.

CARRIED

CONFIRMED BY COMMITTEE ON

CHAIR

LEGISLATIVE ASSISTANT

THE FOLLOWING ITEMS HAVE BEEN FORWARDED AS URGENT BUSINESS TO THE
2015 APRIL 27 REGULAR MEETING OF COUNCIL:

2014 CITY OF CALGARY ANNUAL REPORT, AC2015-0344

2014 EXTERNAL AUDITOR'S REPORT, AC2015-0375

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2015 MAY 11 COMBINED
MEETING OF COUNCIL:

CONSENT:

2014 ANNUAL INVESTMENT REPORT, AC2015-0343

CITY AUDITOR'S OFFICE 1ST QUARTER 2015 REPORT, AC2015-0368

The next Regular Meeting of the Audit Committee has been scheduled to be held on
2015 May 21 at 9:30 a.m.