



MINUTES

AUDIT COMMITTEE

HELD 2013 SEPTEMBER 12 AT 9:30 AM

IN THE DEERFOOT JUNCTION III BUILDING

(1212, 31 AVENUE NE MAIN FLOOR, SUITE #101)

PRESENT:

- Alderman G. MacLeod, Chair
- Alderman R. Pootmans, Vice-Chair
- Alderman S. Keating
- Alderman G. Lowe
- Alderman B. Pincott
- Citizen Representative B. Day
- Citizen Representative R. Walters

ALSO PRESENT:

- Chief Financial Officer E. Sawyer
- City Auditor K. Palmer
- Executive Assistant P. Frank
- External Auditor T. Nakka
- Legislative Assistant L. Ninkovich

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

Alderman MacLeod assumed the Chair at 9:32 a.m. and Alderman Pootmans returned to his seat in Committee.

1. CONFIRMATION OF AGENDA

CONFIRM AGENDA, Moved by Alderman Pootmans, that the Agenda for the 2013 September 12 Regular Meeting of the Audit Committee be confirmed.

CARRIED

2. CONFIRMATION OF MINUTES

2.1 MINUTES OF THE 2013 JULY 25 REGULAR MEETING OF THE AUDIT COMMITTEE

CLERICAL CORRECTION

A clerical correction was noted in the Minutes of the 2013 July 25 Regular Meeting of the Audit Committee, on Page 2 of 6, New Business, item 3.1, Calgary Municipal Land Corporation Annual Report, AC2013-0607, under Distribution, in the title of the Power point presentation, by deleting the word “Bold” following the words “power point presentation entitled.”

CONFIRM MINUTES, Moved by Alderman Pincott, that the Minutes of the 2013 July 25 Regular Meeting of the Audit Committee be confirmed, **after clerical correction**, as follows:

On page 2 of 6, New Business, item 3.1, Calgary Municipal Land Corporation Annual Report, AC2013-0607, under Distribution, in the title of the Power point presentation, by deleting the word “Bold” following the words “power point presentation entitled”.

CARRIED

3. NEW BUSINESS

3.1 CALGARY CONVENTION CENTRE AUTHORITY GOVERNANCE FRAMEWORK AUDIT, AC2013-0654

SPEAKERS

1. Pam Lewis
2. Bob Holmes
3. Brian Rogers

AMENDMENT, Moved by Mr. Day, that Recommendation 3c contained in Report AC2013-0654 be amended, as follows:

- by deleting the words “and vetting”, following the words “board recruiting”, and
- by deleting the words “and vetting process to bring forward candidates to Council”, following the words “develop a robust recruiting”, and by substituting with the words **”process to provide non-binding recommendations to Council.”**;

And further, by deleting the numeral subsections "Recommendation 1, 2 and 3", and by substituting with the letters "a, b, and c".

CARRIED

APPROVE, AS AMENDED, Moved by Alderman Pootmans, that the Recommendations contained in Report AC2013-0654 be approved, **as amended**, as follows:

1. That Audit Committee **recommend that Council receive the attached "Calgary Convention Centre Authority – Governance Framework Audit"** for information;
2. That Audit Committee bring forward this report to Council's meeting of 2013 November 18 for information; and
3. That Audit Committee recommend that Council approve the **following amended** recommendations contained in the Calgary Convention Centre Authority Governance Framework Audit report as follows:
 - a. Council improve the governance framework between Council and the Authority by directing Administration to work with the Authority to:
 - Establish and clearly define accountabilities with respect to specific outcomes, and roles and responsibilities. The ten principles outlined in the Framework of Principles for Governance Relationships with the City's wholly owned subsidiaries and current governance initiatives such as the Corporate Secretariat (e.g. model documents) should be considered.
 - Update the Operating Agreement accordingly.
 - b. That Council direct Administration to improve the effectiveness of Council's oversight of the Authority by working with the Authority to:
 - Review current reporting processes that support Council's oversight taking into account the observations in this report;
 - Determine the appropriate process/processes for the Authority;
 - Ensure that reporting processes include performance requirements, actual performance against goals, and information on the stewardship of The City's assets; and
 - Consider streamlining reporting processes by excluding the Authority from Civic Partner reporting and continuing to report annually to Audit Committee.

- c. That Council direct Administration to work with the Authority to improve board recruiting by obtaining Council approval to remove Authority vacancies from the Boards, Commission and Committees advertisement and the regular appointment process of Council's Organizational Meeting and develop a robust recruiting **process to provide non-binding recommendations to Council.**

CARRIED

3.2 CITY AUDITOR'S OFFICE 2013 BUDGET UPDATE, AC2013-0691

APPROVE, Moved by Mr. Day, that the Recommendation contained in Report AC2013-0691 be approved, as follows:

That the Audit Committee receive this report for information.

CARRIED

3.3 AUDIT COMMITTEE MONTHLY STATUS REPORT, AC2013-0683

APPROVE, Moved by Alderman Pincott, that the Administration Recommendation contained in Report AC2013-0683 be approved, as follows:

That the Audit Committee receive this report for information.

CARRIED

3.4 AUDIT COMMITTEE BUDGET UPDATE 2013, AC2013-0688

APPROVE, Moved by Mr. Day, that the Administration Recommendation contained in Report AC2013-0688 be approved, as follows:

That the Audit Committee receives this report for information.

CARRIED

3.5 AUDIT COMMITTEE BYLAW AMENDMENTS, AC2013-0684

CLERICAL CORRECTION

Mr. Day noted a clerical correction to Attachment 1 by inserting a new Number 1 as follows:

“1. Under the Heading “Attendance at Meetings”, Section 11 (3)(c), by deleting the words “Senior Research Officer” and by substituting with the words “Executive Assistant”.

And further, that the remainder of the Sections in Attachment 1 be renumbered accordingly.

AMENDMENT, Moved by Mr. Day, that the Administration Recommendation contained in Report AC2013-0684, be amended by adding Recommendation 2, as follows:

“2. That the Audit Committee recommends that the Law Department prepare the proposed Bylaw, after correction, for Council’s consideration at the 2013 November 18 Combined Meeting of Council.”

CARRIED

APPROVE, AS AMENDED, Moved by Alderman Lowe, that the Administration Recommendation contained in Report AC2013-0684 be approved, **as amended**, as follows:

That the Audit Committee recommends:

1. That **Attachment 1 be approved, after correction, as follows:**

“1. Under the Heading “Attendance at Meetings”, Section 11 (3)(c), by deleting the words “Senior Research Officer” and by substituting with the words “Executive Assistant”.

2. That the Law Department prepare the proposed Bylaw, after corrections to Attachment 1, for Council’s consideration at the 2013 November 18 Combined Meeting of Council.

3. That Council give three readings to the proposed bylaw to amend the Audit Committee Bylaw 48M2012.

CARRIED

3.6 AUDIT COMMITTEE ANNUAL SELF-ASSESSMENT, AC2013-0690

APPROVE, Moved by Mr. Walters, that the Administration Recommendation contained in Report AC2013-0690 be approved, as follows:

That the Audit Committee receives this report for information.

CARRIED

IN CAMERA, Moved by Mr. Walters that, in accordance with Section 197 of the *Municipal Government Act*, and Sections 16(1), 17(1) 17(4)(f), 19(1), 19(2) and 24(1) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee now move In Camera at 11:20 a.m., in order to consider several confidential matters.

CARRIED

RECESS, Moved by Alderman Pootmans, that the Audit Committee recess In Camera at 11:21 a.m., for 5 minutes, or at the call of the Chair.

CARRIED

The Audit Committee reconvened at 11:27 a.m., In Camera, with Alderman MacLeod in the Chair.

The Audit Committee moved into public session at 11:53 a.m. with Alderman MacLeod in the Chair.

RISE AND REPORT, Moved by Alderman Pootmans, that the Audit Committee rise and report.

CARRIED

4. IN CAMERA ITEMS

4.1 EXTERNAL AUDITOR - VERBAL REPORT, AC2013-0170

RECEIVE FOR INFORMATION, Moved by Mr. Day, that the Audit Committee:

1. Receive the External Auditor - Verbal Report, AC2013-0170 for information, and
2. Keep the verbal Report and in camera discussions confidential under Section 24(1) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.2 CITY AUDITOR - VERBAL REPORT, AC2013-0171

RECEIVE FOR INFORMATION, Moved by Mr. Walters, that the Audit Committee:

1. Receive the City Auditor - Verbal Report, AC2013-0171 for information, and
2. Keep the verbal Report and in camera discussions confidential under Section 24(1) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.3 PERFORMANCE ASSESSMENT FOR CITY AUDITOR, AC2013-0687

APPROVE, Moved by Alderman Pincott that the Recommendations contained in Report AC2013-0687 be approved, **after amendment**, as follows:

1. That Audit Committee **approve** this Report and the attachment, **after amendment**; and
2. That this Report, the Attachment and the in-camera discussions remain confidential in accordance with Section 197 of the *Municipal Government Act* and Sections 17(1) and 17(4)(f) and 19(1) and 19(2) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.4 EXTERNAL AUDITOR 2012 PERFORMANCE ASSESSMENT, AC2013-0689

APPROVE, Moved by Alderman Lowe, that the Administration Recommendations contained in Report AC2013-0689 be approved, as follows:

1. That Audit Committee recommends that Council receive this report for information; and
2. Direct that this Report, the Attachments and the discussion remain confidential under Sections 16(1) and 19(1) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

RECOGNITION

Aldermen Pincott and MacLeod thanked Alderman Lowe for his many years of service with the Audit Committee as well as his exceptional work on audit financial governance.

5. ADJOURNMENT

ADJOURN, Moved by Alderman Pincott, that this meeting adjourn at 11:52 a.m.

CARRIED

CONFIRMED BY COMMITTEE ON

CHAIR

LEGISLATIVE ASSISTANT

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2013 NOVEMBER 18
COMBINED MEETING OF COUNCIL:

CONSENT:

CALGARY CONVENTION CENTRE AUTHORITY GOVERNANCE FRAMEWORK AUDIT,
AC2013-0654

OTHER

(The following Reports contain oppositions and/or Bylaws that require reading by Council.
Accordingly, they should be voted on separately.)

AUDIT COMMITTEE BYLAW AMENDMENTS, AC2013-0684

IN CAMERA

EXTERNAL AUDITOR 2012 PERFORMANCE ASSESSMENT, AC2013-0689

The next Regular Meeting of the Audit Committee has been scheduled to be held on 2013
December 12 at 9:30 AM.