

**ENMAX Corporation Report to  
Audit Committee  
2018 July 25**

**ISC: UNRESTRICTED  
AC2018-0470  
Page 1 of 3**

## **ENMAX Audit Committee 2017 Annual Report**

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### **EXECUTIVE SUMMARY**

This is ENMAX Corporation's annual financial, governance and risk status update for 2017, for presentation to the City of Calgary's Audit Committee.

#### **ADMINISTRATION RECOMMENDATION:**

That the Audit Committee:

1. Receives this Report for information; and
2. Directs that Attachments 1, 6, 7, 8, and the Closed Meeting 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:

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

Section 4(1)(i)

### **BACKGROUND**

A letter dated 2018 March 27 was provided to the Audit Committee Chair of ENMAX Corporation from the City of Calgary Audit Committee Chair requesting a report and presentation from ENMAX on its 2017 Annual Report, risk management processes and the Finance and Audit Committee terms of reference.

The letter outlined the items to be provided in their annual report to The City's Audit Committee, as follows:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2018 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 financial and/or operational risks that in your opinion would impact the City of Calgary and be of concern to the City's Audit Committee;
4. Report on internal controls including information technology and systems;
5. Most recent management letter including management responses as appropriate; and
6. Audit Committee 2018 Work Plan.

The presenters of the report should be prepared to answer 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?

**ENMAX Corporation Report to  
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**ISC: UNRESTRICTED  
AC2018-0470  
Page 2 of 3**

## **ENMAX Audit Committee 2017 Annual Report**

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4. Are there any regulatory or market changes that may impact the current business approach and would they 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?
6. What initiatives are currently in progress to improve the efficiency of your processes? (e.g. sustainable operations, key performance indicators and relevance of the organization in the future)

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

This report and Attachments are 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(S) FOR RECOMMENDATION(S):**

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

### **ATTACHMENT(S)**

1. Letter from Chair, ENMAX Audit Committee – CONFIDENTIAL
2. ENMAX Overview and Highlights
3. ENMAX Audit Committee Mandate
4. ENMAX Audit Committee Workplan
5. ENMAX Audit Committee Member Profiles
6. ENMAX Enterprise Risk Management Framework and Process – CONFIDENTIAL

**ENMAX Corporation Report to  
Audit Committee  
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**ISC: UNRESTRICTED  
AC2018-0470  
Page 3 of 3**

**ENMAX Audit Committee 2017 Annual Report**

7. 2018 Internal Audit Plan and Charter – CONFIDENTIAL
8. 2017 External Auditor Report – CONFIDENTIAL
9. 2017 Audited Consolidated Financial Statements