

CALGARY ARTS DEVELOPMENT AUTHORITY AUDIT COMMITTEE ANNUAL REPORT

EXECUTIVE SUMMARY

This is Calgary Arts Development Authority's annual report and risk management report to the Audit Committee

ADMINISTRATION RECOMMENDATION(S)

That Audit Committee receives this Report for Information.

PREVIOUS COUNCIL DIRECTION / POLICY

The Audit Committee Bylaw states that 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

In a letter dated 2017 March 30 to Calgary Arts Development Authority (CADA), the Chair, Audit Committee requested that the Audit Committee receive a report and presentation from CADA's Audit and Finance Committee on "its 2016 Annual Report, its risk management processes and the Audit and Finance Committee terms of reference."

The following items were requested to be provided in CADA's annual report to the City's Audit Committee:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2017 initiatives/strategy;
2. Report on CADA's key operating and strategic risks including trends and risk management plans and processes;
3. Analysis of top three risk that in your opinion would impact the City of Calgary and/or be of concern to the City's Audit Committee
4. Report on internal controls including information technology and systems; and
5. Most recent financial report including management responses as appropriate.

In addition, CADA was advised to 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?
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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INVESTIGATION: ALTERNATIVES AND ANALYSIS

This report responds to The City Audit Committee's reporting requirements of the CADA Board.

In 2005, The City's Audit Committee initiated a review of The City's governance structures pertaining to its main subsidiary organizations, and autonomous civic entities that represent significant assets to The City of Calgary and/or have significant operating budgets.

This annual report from the CADA Board is the first to be made to the Audit Committee in accordance with the changes that were implemented as a part of the governance review. The CADA Board anticipates that this presentation will be part of an ongoing annual opportunity for an ongoing dialogue with the Audit Committee concerning CADA's ongoing governance structure and risk management protocols.

The Attachments address the questions posed by the Audit Committee to CADA.

Stakeholder Engagement, Research and Communication

Not applicable.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Not applicable.

Risk Assessment

Not applicable.

REASON(S) FOR RECOMMENDATION(S):

This report is for information only

ATTACHMENT(S)

1. Calgary Arts Development Authority Board – Audit Governance Status Report
2. KPMG Report to the Calgary Arts Development Authority Board of Directors for the year ended December 31, 2016
3. Calgary Arts Development Authority Audited Financial Statements for the Year Ended December 31, 2016
4. Calgary Arts Development fye 2016 vs. fye 2015 variance analysis
5. 2016 Finance and Audit Committee Terms of Reference
6. 2016 Arts Emergency Resiliency Fund Granting Report