



MINUTES

AUDIT COMMITTEE

HELD 2017 APRIL 20 AT 9:30 AM
IN THE COUNCIL CHAMBER

PRESENT:

Councillor E. Woolley, Chair
Councillor R. Pootmans, Vice-Chair
Councillor B. Pincott
Councillor S. Chu
Citizen Representative, Ms. S. Crabtree
Citizen Representative, Mr. M. Dalton

ALSO PRESENT:

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

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

1. CONFIRMATION OF AGENDA

CONFIRM AGENDA, Moved by Councillor Pootmans, that the Agenda for the 2017 April 20 Regular Meeting of the Audit Committee be confirmed, **after amendment**, as follows:

BRING FORWARD AND TABLE TO BE DEALT WITH FOLLOWING ITEM 3.1, REPORT AC2017-0305:

3.4 2016 ANNUAL INVESTMENT REPORT, AC2017-0303

CARRIED

2. CONFIRMATION OF MINUTES

2.1 MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE, 2017 MARCH 16

CONFIRM MINUTES, Moved by Councillor Chu, that the Minutes of the Regular Meeting of the Audit Committee held on 2017 March 16, be confirmed.

CARRIED

3. ITEMS FROM ADMINISTRATION AND COMMITTEES

3.1 CONTROL ENVIRONMENT ASSESSMENT AND MANAGEMENT REPRESENTATIONS UPDATE, AC2017-0305

APPROVE, Moved by Ms. Crabtree, that the Administration Recommendations contained in Report AC2017-0305 be approved as follows:

That the Audit Committee:

1. Receive this Report for information, and
2. Direct that Attachment 3 remain confidential pursuant to Section 25(1)(b) and (c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

3.2 2016 CITY OF CALGARY ANNUAL REPORT, AC2017-0304

DISTRIBUTION

At the request of Administration and with the concurrence of the Chair, the Legislative Assistant distributed the following documents with respect to Report AC2017-0304:

- a PowerPoint presentation entitled "AC2017-0304 2016 City of Calgary Annual Report", dated 2017 April 20
- Attachment 2 to Report AC2017-0304 entitled "The City of Calgary Changes to the 2016 City of Calgary Annual Report"
- Attachment 2a to Report AC2017-0304 entitled "City of Calgary Administration"

TABLE, Moved by Councillor Pincott, that Report AC2017-0304 be tabled to be dealt with at the Call of the Chair.

CARRIED

LIFT FROM THE TABLE, Moved by Councillor Pincott, that Report AC2017-0304 be lifted from the table and dealt with at this time.

CARRIED

APPROVE, Moved by Mr. Dalton, that the Administration Recommendations contained in Report AC2017-0304 be approved, **after amendment**, as follows:

That the Audit Committee:

1. Consider this report in conjunction with Report AC2017-0348 "2016 External Auditor's Report";
2. Recommend Council approval of the 2016 City of Calgary Annual Report;
3. Forward to Council as a matter of Urgent Business to the 2017 April 24 Regular Meeting of Council.

And further, that the corrections as indicated on the distributions entitled "The City of Calgary, Changes to the 2016 Annual Report" and "City of Calgary Administration" be incorporated into The City of Calgary 2016 Annual Report prior to being forwarded to Council.

CARRIED

3.3 2016 EXTERNAL AUDITOR'S YEAR-END REPORT, AC2017-0348

IN CAMERA, Moved by Councillor Pincott, that in accordance with Section 197 of the *Municipal Government Act* and Sections 24(1)(a), 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move in camera, at 11:17 a.m., in order to consider a confidential matter with respect to Report AC2017-0348.

CARRIED

The Audit Committee moved into public session at 11:30 a.m. with Councillor Woolley in the Chair.

RISE WITHOUT REPORTING, Moved by Councillor Pincott, that the Audit Committee rise without reporting.

CARRIED

APPROVE, Moved by Ms. Crabtree, that the Recommendations contained in Report AC2017-0348 be approved, as follows:

That the Audit Committee:

1. Conduct an In Camera discussion with the External Auditor and keep that discussion confidential pursuant to Sections 24(1)(a), 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*;
2. Receive this Report and Attachment for information and consider them in conjunction with Report AC2017-0304, 2016 City of Calgary Annual Report;
3. Direct that this Report and Attachment be forwarded to the 2017 April 24 Regular Meeting of Council as an item of Urgent Business;
4. Recommend that Council receive Report AC2017-0348, 2016 External Auditor's Year-End Report, and the Attachment, for information; and
5. Keep the In Camera discussions with the External Auditor confidential pursuant to Sections 24(1)(a), 24(1)(h) and 25 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

3.4 2016 ANNUAL INVESTMENT REPORT, AC2017-0303

Note: This Item was dealt with following Item 3.1, Report AC2017-0305

DISTRIBUTION

At the request of Administration and with the concurrence of the Chair, the Legislative Assistant distributed copies of a PowerPoint presentation entitled "AC2017-0303 2016 Annual Investment Report", dated 2017 April 20, with respect to Report AC2017-0303.

APPROVE, Moved by Councillor Pincott, that the Administration Recommendation contained in Report AC2017-0303 be approved, as follows:

That the Audit Committee recommend that Council receive the 2016 Annual Investment Report for information.

CARRIED

3.5 EXTERNAL ASSESSMENT - CITY AUDITOR'S OFFICE, AC2017-0357

Speaker:

Archie Thomas, Institute of Internal Auditors

APPROVE, Moved by Councillor Pincott, that the Recommendations contained in Report AC2017-0357 be approved, as follows:

That the Audit Committee:

1. Receive this Report for information; and
2. Recommend that Council receive this Report for information.

CARRIED

3.6 CITY AUDITOR'S OFFICE 1ST QUARTER 2017 REPORT, AC2017-0359

APPROVE, Moved by Ms. Crabtree, that the Recommendations contained in Report AC2017-0359 be approved, as follows:

That the Audit Committee:

1. Receive this Report for information; and
2. Recommend that Council receive this Report for information.

CARRIED

3.7 TRANSIT FARE REVENUE AUDIT, AC2017-0341

APPROVE, Moved by Councillor Pootmans, that the Recommendations contained in Report AC2017-0341 be approved, as follows:

That the Audit Committee:

1. Receive this Report for information;
2. Recommend that Council receive this Report for information; and
3. Recommend that Attachment to Report AC2017-0341 remain confidential pursuant to Sections 20(1)(k) and (m) of the *Freedom of Information and Protection of Privacy Act* until the year 2032.

CARRIED

4. URGENT BUSINESS

No items of Urgent Business were added to today's Meeting.

IN CAMERA, Moved by Councillor Chu, that in accordance with Section 197 of the *Municipal Government Act* and Sections 16(1), 23(1)(b), 24(1)(a), 24(1)(b), 24(1)(c), 24(1)(d), 25(1)(c) and 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move in camera, at 11:50 a.m., in order to consider several confidential matters.

CARRIED

The Audit Committee moved into public session at 12:42 p.m. with Councillor Woolley in the Chair.

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

CARRIED

5. IN CAMERA ITEMS

5.1 CIVIC PARTNER AUDIT REPORT, AC2017-0367

DISTRIBUTION

At the request of Administration and with the concurrence of the Chair, the Legislative Assistant distributed In Camera, the following documents with respect to Report AC2017-0367 which are to remain confidential pursuant to Sections 16(1), 23(1)(b) and 24(1)(b) of the *Freedom of Information and Protection of Privacy Act*:

- a PowerPoint presentation entitled "AC2017-0367 Civic Partner Audit Report", dated 2017 April 20
- a Revised Attachment 3 to Report AC2017-0367

APPROVE, Moved by Councillor Chu, that with respect to Report AC2017-0367, the following be approved, **after amendment**:

That the Audit Committee recommend that Council:

1. Receive this Report for information; and
2. Direct that this Report, all attachments and distributions remain confidential pursuant to Sections 16(1), 23(1)(b) and 24(1)(b) of the *Freedom of Information and Protection of Privacy Act* (Alberta) until such time as six years from this date.

And further, that the Revised Attachment 3 to Report AC2017-0367, as distributed at today's In camera session, be attached to the report prior to being forwarded to Council.

CARRIED

5.2 2017 LAW DEPARTMENT ANNUAL REPORT, AC2017-0302

DISTRIBUTION

At the request of Administration and with the concurrence of the Chair, the Legislative Assistant distributed In Camera, copies of a PowerPoint distribution entitled "2017 Law Department Annual Report", dated 2017 April 20, with respect to Report AC2017-0302 which is to remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 25(1)(c) and 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*.

APPROVE, Moved by Mr. Dalton, that with respect to Report AC2017-0302, the following be approved:

That the Audit Committee recommend that Council:

1. Receive this Report for information; and
2. Direct that the distribution, Attachments 2, 3 and 4 and the in camera presentation and discussion remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 25(1)(c) and 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.3 EXTERNAL AUDIT SERVICES ANNUAL RENEWAL 2017 / 2018 (VERBAL REPORT), AC2017-0336

APPROVE, Moved by Councillor Pootmans, that with respect to Report AC2017-0336, the following be approved:

That Audit Committee:

1. Receive the External Audit Services Annual Renewal 2017/2018 (Verbal Report) for information; and
2. Direct that the Verbal Report and In Camera discussions remain confidential pursuant to Sections 16(1) and 24(1)(a),(c) and (d) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.4 AUDIT FORUM (VERBAL REPORT), AC2017-0349

APPROVE, Moved by Ms. Crabtree, that with respect to Verbal Report AC2017-0349, the

following be approved:

That the Audit Committee:

1. Receive the Audit Forum (Verbal Report) for information; and
2. Direct that the Verbal Report and In Camera discussions remain confidential pursuant to Sections 16(1), 24(1)(a), 24(1)(b) and 24(1)(c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.5 CITY AUDITOR (VERBAL REPORT), AC2017-0350

APPROVE, Moved by Councillor Pincott, that with respect to Verbal Report AC2017-0350, the following be approved:

That the Audit Committee:

1. Receive the City Auditor (Verbal Report) for information; and
2. Direct that the Verbal Report and In Camera discussions remain confidential pursuant to Sections 16(1), 24(1)(a), 24(1)(b) and 24(1)(c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

5.6 EXTERNAL AUDITOR (VERBAL REPORT), AC2017-0351

The External Auditor had nothing to report.

6. URGENT BUSINESS IN CAMERA

No items of Urgent Business, In Camera, were added to today's Meeting.

7. ADJOURNMENT

ADJOURN, Moved by Councillor Pincott, that this meeting adjourn at 12:46 p.m.

CARRIED

CONFIRMED BY COMMITTEE ON

CHAIR

LEGISLATIVE ASSISTANT

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2017 APRIL 24 REGULAR MEETING OF COUNCIL AS ITEMS OF URGENT BUSINESS:

2016 CITY OF CALGARY ANNUAL REPORT, AC2017-0304

2016 EXTERNAL AUDITOR'S YEAR-END REPORT, AC2017-0348

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2017 MAY 08 COMBINED MEETING OF COUNCIL:

CONSENT:

2016 ANNUAL INVESTMENT REPORT, AC2017-0303

EXTERNAL ASSESSMENT - CITY AUDITOR'S OFFICE, AC2017-0357

CITY AUDITOR'S OFFICE 1ST QUARTER 2017 REPORT, AC2017-0359

TRANSIT FARE REVENUE AUDIT, AC2017-0341

IN CAMERA:

CIVIC PARTNER AUDIT REPORT, AC2017-0367

2017 LAW DEPARTMENT ANNUAL REPORT, AC2017-0302

The next Regular Meeting of the Audit Committee has been scheduled to be held on 2017 June 22 at 9:30 AM.