



**MINUTES
AUDIT COMMITTEE**

**June 27, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor E. Woolley, Chair
Councillor J. Gondek, Vice-Chair
Councillor J. Farkas
Citizen Representative L. Caltagirone
Citizen Representative M. Lambert

ALSO PRESENT: Acting Chief Financial Officer C. Male
City Auditor K. Palmer
Executive Assistant C. Smillie
External Auditor H. Gill
Acting City Clerk K. Martin
Legislative Advisor D. Williams

1. **CALL TO ORDER**

Councillor Woolley called the Meeting to order at 9:33 a.m.

2. **OPENING REMARKS**

Councillor Woolley provided opening remarks.

3. **CONFIRMATION OF AGENDA**

Moved by Councillor Gondek

That the Agenda for today's Meeting be amended by adding a Confidential Item of Urgent Business, 9.2.1 Pension Discussion (Verbal), AC2019-0882.

MOTION CARRIED

Moved by Citizen Representative Caltagirone

That the Agenda for the 2019 June 27 Regular Meeting of the Audit Committee be confirmed, **as amended**.

MOTION CARRIED

4. **CONFIRMATION OF MINUTES**

4.1 Minutes of the 2019 April 23 Regular Meeting of the Audit Committee

Moved by Councillor Farkas

That the Minutes of the Regular Meeting of the Audit Committee held on 2019 April 23, be confirmed.

MOTION CARRIED

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

6.1 ENMAX Corporation Audit and Finance Committee Annual Report, AC2019-0527

A document entitled "ENMAX Audit Committee - Board Member Profiles" was distributed, with respect to Report AC2019-0527.

Speakers

1. Charles Ruigrok, Chair, ENMAX Audit Committee
2. Helen Wesley, Executive Vice President, IT, and Chief Financial Officer, ENMAX

Moved by Citizen Representative Lambert

That pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move into Closed Meeting in the Council Lounge, at 9:54 a.m., to discuss confidential matters, with respect to the following:

- Attachments 1, 6, and 7 to Item 6.1, ENMAX Corporation Audit and Finance Committee Annual, AC2019-0527.

And further, that the following be invited to attend the Closed Meeting:

- Helen Wesley, Executive Vice President, IT and CFO ENMAX;
- Charles Ruigrok, Chair, Audit Committee, ENMAX; and
- Harman Gill, External Auditor, (Deloitte LLP).

MOTION CARRIED

The Committee reconvened in Public Meeting at 10:26 a.m. with Councillor Woolley in the Chair.

Moved by Citizen Representative Caltagirone

That the Committee rise without reporting.

MOTION CARRIED

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-0527:

Administration: Clerk: K. Martin. Observer: C. Male, C. Smillie.

Non-Administration: Observer: K. Palmer.

External: H. Gill.

External Advice: H. Wesley, C. Ruigrok.

Moved by Citizen Representative Lambert

That with respect to Report AC2019-0527, the following be approved:

That the Audit Committee:

1. Receives this Report for information; and
2. Directs that Attachments 1, 6, 7 and the Closed Meeting discussions related to those Attachments, remain confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed in 2024 June.

MOTION CARRIED

6.2 Calgary Public Library Audit and Finance Committee Annual Report, AC2019-0526

Speakers

1. Andrew Rodych, Audit & Finance Committee Chair, Calgary Public Library
2. Paul Lane, Director Corporate Services, Calgary Public Library

Moved by Citizen Representative Caltagirone

That with respect to Report AC2019-0526, the following be approved:

That the Audit Committee receives this Report for information.

MOTION CARRIED

6.3 Calgary Municipal Land Corporation Audit Committee Annual Report, AC2019-0528

A presentation entitled "CMLC Calgary's Urban Placemakers", was distributed, with respect to Report AC2019-0528.

Councillor Woolley left the Chair at 10:51 a.m. and Councillor Gondek assumed the Chair.

Councillor Woolley resumed the Chair at 10:53 a.m. and Councillor Gondek returned to her regular seat at Committee.

Speakers

1. Lyle Edwards, Board Chair, Calgary Municipal Land Corporation (CMLC)

2. Michael Brown, President and Chief Executive Officer, CMLC

3. Kondwani Bwanali, Vice President, Finance & Corporate Services, CMLC

Moved by Councillor Farkas

That with respect to Report AC2019-0528, the following be approved:

That the Audit Committee receives this Report for information.

MOTION CARRIED

6.4 External Auditor 2018 Management Letter, AC2019-0672

Moved by Councillor Gondek

That with respect to Report AC2019-0672, the following be approved:

That the Audit Committee:

1. Requests the External Auditor provide an update regarding the implementation status of the recommendations contained in the 2018 Management Letter (Attachment) at the 2020 January Audit Committee meeting; and
2. Recommends that Council receives this Report and Attachment for information.

MOTION CARRIED

6.5 Emergency Management Audit, AC2019-0678

Moved by Citizen Representative Lambert

That with respect to Report AC2019-0678, the following be approved:

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

MOTION CARRIED

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS

None

7.2 NOTICE(S) OF MOTION

None

8. URGENT BUSINESS

None

9. CONFIDENTIAL ITEMS

Moved by Councillor Gondek

That pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, the Audit Committee move into Closed Meeting in the Council Lounge, at 11:33 a.m. to discuss confidential matters, with respect to the following items:

- 9.1.1 Audit Forum (Verbal) - AC2019-0631;
- 9.1.3 City Auditor (Verbal) - AC2019-0633; and
- 9.2.1 Pension Discussion (Verbal) – AC2019-0882.

And further, that Harman Gill, External Auditor be invited to attend the Closed Meeting.

MOTION CARRIED

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(a) was suspended, by general consent, to allow Committee to complete the remainder of today's Agenda prior to the scheduled 12:00 noon recess.

That Committee moved into Public Meeting at 12:29 p.m. with Councillor Woolley in the Chair.

Moved by Citizen Representative Lambert

That Committee rise and report.

MOTION CARRIED

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1.1 Audit Forum (Verbal), AC2019-0631

People in attendance during the Closed Meeting discussions with respect to Report AC2019-0631:

Administration: Clerk: K. Martin. Advice: C. Male. and G. Cole. Observer: C. Smillie.

Non-Administration: Observer: K. Palmer.

External: H. Gill.

Moved by Citizen Representative Lambert

That with respect to Report AC2019-0631, the following be approved:

That the Audit Committee:

1. Receive Verbal Report AC2019-0631 for information; and
2. Direct that the Closed Meeting discussions remain confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy*.

MOTION CARRIED

9.1.2 External Auditor (Verbal), AC2019-0632

No report was given.

9.1.3 City Auditor (Verbal), AC2019-0633

People in attendance during the Closed Meeting discussions with respect to Report AC2019-0633:

Administration: Clerk: K. Martin. Observer: C. Smillie.

Non-Administration: Advice K. Palmer.

External: H. Gill.

Moved by Citizen Representative Caltagirone

That with respect to Report AC2019-0633, the following be approved:

That the Audit Committee:

1. Receive Verbal Report AC2019-0633 for information; and
2. Direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy*.

MOTION CARRIED

9.2 URGENT BUSINESS

9.2.1 Pension Discussion (Verbal), AC2019-0882

People in attendance during the Closed Meeting discussions with respect to Report AC2019-0882:

Administration: Clerk: K. Martin. Advice: C. Male, M. Lavallee, G. Weibe, L. Shikaze, C. Blanchette, M. Storer, G. Cole. Observer: C. Smillie.

Non-Administration: Observer: K. Palmer

External Observer: H. Gill.

Moved by Councillor Gondek

That with respect to Report AC2019-0882, the following be approved:

That the Audit Committee:

1. Directs that a Working Group be established to provide a recommendation to Audit Committee no later than their 2019 September 6 meeting, on how best to achieve the intent of Notice of Motion C2019-0568, Comprehensive Pension Review and that the recommendation be forwarded to a Meeting of Council no later than 2019 September; and
2. Direct that the Closed Meeting discussions remain confidential pursuant to Sections 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

10. ADJOURNMENT

Moved by Citizen Representative Caltagirone

That this meeting adjourn at 12:31 p.m.

MOTION CARRIED

The following items have been forwarded to the 2019 July 22 Combined Meeting of Council:

CONSENT

- External Auditor 2018 Management Letter, AC2019-0672
- Emergency Management Audit, AC2019-0678

The next Regular Meeting of the Audit Committee is scheduled to be held 2019 July 23 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK