



**MINUTES
AUDIT COMMITTEE**

**April 23, 2019, 8:30 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. Dalton
Citizen Representative M. Lambert

ALSO PRESENT: Acting Chief Financial Officer, C. Male
City Auditor K. Palmer
Executive Assistant C. Smillie
Acting City Clerk K. Martin
Legislative Assistant T. Rowe

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 8:31 a.m.

2. OPENING REMARKS

Councillor Woolley provided opening remarks.

3. CONFIRMATION OF AGENDA

Moved by Citizen Representative Lambert

That the Agenda for the 2019 April 23 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the 2019 March 22 Audit Committee Meeting

Moved by Councillor Farkas

That the Minutes of the Audit Committee held on 2019 March 22, be confirmed.

MOTION CARRIED

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

6.1 Control Environment Assessment and Management Representations Update, AC2019-0529

A presentation entitled "Control Environment Assessment Report", dated 2019 April 23, was distributed with respect to Report AC2019-0529.

Moved by Citizen Representative Caltagirone

That with respect to Report AC2019-0529, the following be approved:

That the Audit Committee:

1. Receives this report for information; and
2. Direct that Attachment 3 remain confidential pursuant to Section 25 of the *Freedom on Information and Protection of Privacy Act* to be reviewed by 2021, April 23.

MOTION CARRIED

6.2 2018 Annual Investment Report - AC2019-0503

A presentation entitled "2018 Annual Investment Report", was distributed with respect to Report AC2018-0503.

Moved by Councillor Farkas

That with respect to Report AC2019-0503, the following be adopted:

That the Audit Committee:

1. Recommend that Council receive the 2018 Annual Investment Report for Information; and
2. Forward Report AC2019-0503 as an item of Urgent Business to the 2019 April 29 Combined Meeting of Council.

MOTION CARRIED

Moved by Councillor Gondek

That Item 6.3, The City of Calgary 2018 Annual Report, AC2019-0498 and Item 6.4, 2018 External Auditor's Year-End Report, AC2019-0438 be dealt with together at this time.

MOTION CARRIED

6.3 The City of Calgary 2018 Annual Report - AC2019-0498

The following documents were distributed with respect to report AC2019-0498:

- A presentation entitled "Delivering Value for Citizens: The City of Calgary 2019 Annual Report AC2019-0498", dated 2019 April 23; and
- A new Attachment 2 entitled "Changes to the 2018 City of Calgary Annual Report".

Councillor Gondek introduced a group of Grade 6 students from River Valley School in Ward 7, along with their teacher Erin Reimer

Moved by Councillor Gondek

That with respect to Report AC019-0498, the following be approved:

That the Audit Committee:

1. Consider this report in conjunction with Report AC2019-0498 "2018 External Auditor's Year-End Report";
2. Recommends Council approval of The City of Calgary 2018 Annual Report, and
3. Forward to Council as a matter of urgent business to the 2019 April 29 Combined Meeting of Council.

And further that a new Attachment 2 be forwarded to Council along with this report.

MOTION CARRIED

6.4 2018 External Auditor's Year-End Report - AC2019-0438

Moved by Citizen Representative Caltagirone

That the Audit Committee move into Closed Meeting, at 9:56 a.m., in the Council Lounge, to consider confidential matters with respect to the following Item 6.4 AC2019-0438, 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

Committee reconvened in public meeting at 10:12 a.m. with Councillor Woolley in the Chair.

Moved by Councillor Gondek

That Committee rise without reporting.

MOTION CARRIED

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-0438:

Administration - Clerk: K. Martin; Observer: C. Male, G. Wiebe, and C. Smillie

Non-Administration - Observer: K. Palmer.

External - Advice: J. Scrinko, T. Nakka and H. Gill

Moved by Councillor Gondek

That with respect to Report AC2019-0438, the following be approved:

That the Audit Committee:

1. Receive this Report and Attachment for information and consider this report in conjunction with report AC2019-0498, The City of Calgary 2018 Annual Report;
2. Direct that this Report and Attachment be forwarded to the 2019 April 29 Combined Meeting of Council as an item of Urgent Business;
3. Recommend that Council receives Report AC2019-0438, 2018 External Auditor's Year-End Report, and the Attachment, for information; and
4. Keep the Closed Meeting discussions with the External Auditor and the closed meeting distribution confidential pursuant to Sections 24 and 25 of the Freedom of Information and Protection of Privacy Act, to be reviewed by 2024 April 23.

MOTION CARRIED

6.5 Planning Application Review and Approval Process Audit - AC2019-0466

Moved by Councillor Gondek

That with respect to Report AC2019-0466, the following be approved:

That the Audit Committee:

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

MOTION CARRIED

6.6 City Auditor's Office 1st Quarter 2019 Report - AC2019-0469

Moved by Citizen Representative Dalton

That with respect to Report AC2019-0469, 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

6.7 Audit Committee Strategic Working Group (Verbal) - AC2019-0464

Moved by Citizen Representative Lambert

That with respect to Report AC2019-0464, the following be approved:

That Audit Committee:

1. Recommends a Working Group be established to review strategic matters of the Audit Committee; and
2. Direct the Working Group to present recommendations to Audit Committee no later than the 2019 December 6 Audit Committee Meeting.

MOTION CARRIED

6.8 Civic Partner Audit Report - AC2019-0472

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-0472:

Administration - Clerk: K. Martin; Observer: C. Male, L. Kerr, S. MacFayden, J.-L. Martin and C. Smillie

Non-Administration - Observer: K. Palmer.

External - Observer: T. Nakka and H. Gill

Moved by Citizen Representative Dalton

That with respect to Report AC2019-0472, the following be approved

That Audit Committee recommends that Council:

1. Receive this report for information; and
2. Direct that Attachments 2, 4 and 5 remain confidential under Sections 16, 23, and 24 of the *Freedom of Information and Protection of Privacy Act* until 2025 April 23.

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 Citizen Representative Lambert

That the Audit Committee move into Closed Meeting, at 10:57 a.m., in the Council Lounge, to consider confidential matters with respect to the following items pursuant to Sections 16 (disclosure harmful to business interests of a third party), 19 (confidential evaluations), 23 (local body confidences), 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*:

- 6.8 Civic Partner Audit Report - AC2019-0472;
- 9.1.1. Audit Forum (Verbal) - AC2019-0439;
- 9.1.2. External Auditor (Verbal) - AC2019-0440;
- 9.1.3. City Auditor (Verbal) - AC2019-0441; and
- 9.1.4. External Auditor Annual Renewal (Verbal) - AC2019-0443.

MOTION CARRIED

Committee reconvened in public meeting at 12:04, with Councillor Woolley in the Chair.

Moved by Citizen Representative Dalton

That Committee rise and report.

MOTION CARRIED

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1.1 Audit Forum (Verbal) - AC2019-0439

No report was given.

9.1.2 External Auditor (Verbal) - AC2019-0440

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-0440:

Administration - Clerk: K. Martin; Observer: C. Male, and C. Smillie

Non-Administration - Observer: K. Palmer.

Moved by Citizen Representative Lambert

That with respect to Verbal Report AC20190-0440, the following be approved:

That the Audit Committee:

1. Receive Verbal Report AC2019-0440 for information; and
2. Direct that the Closed Meeting discussions remain confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

9.1.3 City Auditor (Verbal) - AC2019-0441

A confidential document was distributed with respect to Verbal Report AC2019-0441.

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-0441:

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

Non-Administration - Advice: K. Palmer, and A. Bleau.

Moved by Councillor Farkas

That with respect to Verbal Report AC2019-0441, the following be approved:

That the Audit Committee:

1. Receive Verbal Report AC2019-0441 for information; and
2. Direct that the Closed Meeting discussions, and distribution remain confidential pursuant to Section 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

9.1.4 External Auditor Annual Renewal (Verbal) - AC2019-0443

Persons in attendance during the Closed Meeting discussions with respect to Report AC2019-044:

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

Moved by Citizen Representative Caltagirone

That the Audit Committee:

1. Approve the annual renewal of the External Auditor's contract with the City of Calgary, effective 2019 May 01; and
2. Keep the closed meeting discussions confidential pursuant to Sections 19 and 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

9.2 URGENT BUSINESS

10. ADJOURNMENT

Moved by Citizen Representative Caltagirone

That this meeting adjourn at 12:06 p.m.

MOTION CARRIED

The following items have been forwarded as Urgent Business to the 2019 April 29 Combined Meeting of Council:

- The City of Calgary 2018 Annual Report - AC2019-0498;
- 2018 External Auditor's Year-End Report - AC2019-0438; and
- 2018 Annual Investment Report - AC2019-0503.

The following items have been forwarded to the 2019 June 17 Combined Meeting of Council:

CONSENT:

- Planning Application Review and Approval Process Audit - AC2019-0466;
- City Auditor's Office 1st Quarter 2019 Report, AC2019-0469; and
- Civic Partner Audit Report, AC2019-0472.

CHAIR

ACTING CITY CLERK