

ENMAX Corporation report to
Audit Committee
2019 June 27

ISC: UNRESTRICTED
AC2019-0527

ENMAX Corporation Audit and Finance Committee Annual Report

EXECUTIVE SUMMARY

This is ENMAX Corporation's annual financial, governance and risk status update for 2018, for presentation to the City of Calgary's Audit Committee.

ENMAX CORPORATION RECOMMENDATION:

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(1)(a), 25(b) and 25(c) of the *Freedom of Information and Protection of Privacy Act*; to be reviewed in 2024 June.

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)

A letter dated 2019 April 10 was provided to the Chair of the Audit and Finance Committee of the ENMAX Corporation from the City of Calgary Audit Committee Chair requesting a report and presentation on its 2018 Annual Report, risk management processes and the Audit and Finance 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 2019 initiatives/strategy;
2. Report on the 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 our 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 2019 Work Plan.

As requested in the letter, presenters of the report will 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?

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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.

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REASON(S) FOR RECOMMENDATION(S):

The City of Calgary Audit Committee oversees its governance responsibility with audit committees of The City's major autonomous civic entities and an annual report is requested each year.

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. 2019 Q1 Risk Report – CONFIDENTIAL
7. 2018 External Auditor Report – CONFIDENTIAL
8. 2019 Q1 Financial Report and 2018 Audited Consolidated Financial Statements