

# AUDIT COMMITTEE

## MEMBERS

His Worship Mayor B. Bowman  
Councillor S. Gillingham  
Councillor C. Gilroy  
Councillor B. Mayes  
Councillor M. Morantz  
Councillor J. Orlikow  
Councillor M. Pagtakhan

## JURISDICTION

The City Organization By-law No. 71//07, section 4(19)

## COMPOSITION

The Executive Policy Committee is to deal with audit matters, as "the Audit Committee".

## FUNCTION

To deal with all audit matters as "the Audit Committee" except the evaluation of the performance of the City Auditor and external Auditor, and without limiting the generality of the foregoing, shall have the power and duty to oversee the internal and external audit process of the City in general to ensure that The City is provided with an effective audit service that is independent such that the internal and external audit activities are complimentary to each other with a minimum amount of duplication of effort and will have specific responsibilities as follows:

- (a) Regarding the City's Consolidated Financial Statements, the Audit Committee will:
  - Review with the Chief Financial Officer and the External Auditors, the Annual Financial Statements and recommend their approval to Council.
- (b) Regarding the External Auditors, the Audit Committee will:
  - (i) Approve the scope, (as recommended by the External Auditors) of the external audit;
  - (ii) Receive and review the External Auditors' reports and management letters, together with any management responses;
  - (iii) Review any problems found in performing the audit, such as limitations or restrictions imposed by City Administrators or disagreements with any City Administrator which, if not satisfactorily resolved, would have caused them to issue a non-standard report on the City's financial statements;
  - (iv) During an in camera session, review with the External Auditors the quality of the City's financial and accounting personnel and any recommendations that the External Auditors may have.

## AUDIT COMMITTEE

### FUNCTION continued

- (c) Regarding Special Studies, the Audit Committee will:
  - (i) Recommend or cause to be conducted special studies, such as departmental or program reviews, as required to fulfill its Objectives;
  - (ii) Receive and review such Special Studies and forward such Reports, either in full, or in summary, to Council.
  
- (d) Regarding the City Audit Department, the Audit Committee will:
  - (i) Assess the scope and objectives of the Audit Department, including the effectiveness of their working relationship with the External Auditors;
  - (ii) Approve the Audit Department's annual Audit Plan;
  - (iii) Receive and review the City Auditor's Annual Report; (and other reports on areas of major audit efforts)
  - (iv) Receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee.
  
- (e) Regarding Internal Control, the Audit Committee will:
  - (i) Review with the Chief Financial Officer, the External Auditor and the City Auditor, the City's overall policies and procedures with respect to controlling City assets;
  - (ii) Review with the Chief Financial Officer, the External Auditor and the City Auditor the systems of internal control over financial reporting to assess that they are operating effectively;
  - (iii) Obtain assurance from City Administrators that the City has implemented appropriate policies and procedures to ensure compliance with legal, regulatory, ethical and environmental requirements;
  - (iv) Review the disaster recovery procedures with respect to the City's computer systems to assess whether they are appropriate.
  
- (f) Regarding the City's major accounting policies, the Audit Committee will:
  - (i) Have familiarity with the major accounting and reporting principles and practices applied by the City in preparing its financial statements;
  
  - (ii) Ensure that the Chief Financial Officer and the External Auditors report annually on the City's major accounting policies, including the impact of alternative accounting policies, presentation of significant risks and uncertainties, and key administration estimates and judgements that can be material to the annual Financial Statements.

### CONTACT

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