

Schedule A - Audit Committee Terms of Reference

Authority of the Audit Committee

Pursuant to Section 203 of the *Municipal Government Act*, Council delegates to the Audit Committee the authority to:

1. receive and approve as required the annual financial statements and financial return of the Municipality prepared and transmitted by the external auditor appointed under section 280 of the *Municipal Government Act*;
2. receive reports setting out the type and amount of approved expenses incurred by the Chief Administrative Officer and Council members;
3. approve the annual internal audit plan and any material changes to that plan;
4. direct the Municipal Auditor to investigate any matter, or any report prepared by Administration within the Committee's mandate as set out in the Standing Council Committees Bylaw.

Responsibilities of the Audit Committee

The Audit Committee has the following responsibilities, any of which may be carried out at an *in camera* meeting when the subject matter allows for *in camera* proceedings in accordance with the *Municipal Government Act*, and any of which may include making relevant recommendations to Council:

- 1 Exercise policy and governance oversight, including detailed review as required, of significant audit and internal control issues, including the records and information management system and information technology security and controls.
- 2 Review the results and findings of any audit with the CAO, DCAO, Executive Leadership team and the internal auditor.
- 3 Develop and maintain a sound basic understanding of how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- 4 Review the activities and accomplishments of the internal auditor relative to the internal audit plan.
- 5 Review with the internal auditor the budget, resource plan and activities of the internal audit function.

6. Review the effectiveness of the internal audit function, including conformance with the Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
7. Review the comments, observations or findings of the internal auditor with respect to any inspection, investigation or enforcement action by an external regulatory authority.
8. Review the terms of reference of any investigation proposed by Administration or by the Committee itself, where the anticipated costs of the investigation are outside the scope of a Council approved budget.
9. Seek and obtain any information it requires from employees for the proper fulfillment of its mandate, exercise of its authority, or carrying out of its responsibilities.
10. Provide an open avenue of communication between the internal auditor and the Council.