Audit Committee

Policy No.: C-5	**Council Resolution No.:** 416/2018
Department: Council	**Authority:** Council
Effective Date: 01/26/15	**Revision Date:** 09/13/2018
Review Date: 08/20/2021	**Repealed Date:**
Supersedes: Audit Committee Policy No. 05/10/11	
Related Procedure No.: C-5	
Related Procedure Name: Audit Committee	

Purpose

The Town of Taber recognizes the need for an Audit Committee Policy to assist the Town Council in fulfilling its responsibilities to oversee the integrity of the Town's financial statements and systems of financial reporting, including the audit process, internal controls and procedures, and corporate governance.

Policy Statement

1) Administrative Responsibility
    a. Administration, notably the Director of Finance, is directly responsible for the Town of Taber's financial reporting, internal controls and compliance with law and regulations.
    b. The Director of Finance shall monitor the internal controls over the financial reporting, including policies, processes, and internal controls in place to mitigate the financial reporting risks.

2) Committee Membership
    a. An Audit Committee is an operating committee of Council who is charged with oversight of financial reporting and can assist in helping Council as a whole to satisfy their roles and requirements. The Audit Committee is comprised of 3 Council members and an alternate who are appointed by Council at its annual Organizational meeting or such other times as necessary. Attendance of 3 members shall be required to declare a quorum. Members of the Audit Committee should be independent and financially literate, and have the personal and professional characteristics necessary to be effective committee members.

b. The Audit Committee shall meet periodically to review and discuss corporate governance.

3) Authority

a. The Audit Committee has direct authority to decide to receive reports and other items that come before it as information with or without associated recommendations.

b. The Audit Committee will select and recommend the appointment of the external auditor(s) to Council.

c. The Audit Committee has authority to negotiate modifications to audit plans for the external auditor.

d. In accordance with the Municipal Government Act, each municipality must submit its financial information return and the auditor's report on the financial information return and its financial statements and the auditor's report on the financial statements to the Minister by May 1 of the year following the year for which the financial information return and statements have been prepared.

4) Internal Controls and Corporate Governance

a. Administrative Role:

i. The primary responsibility for implementing and maintaining systems of internal controls lies with the Administration. Administration shall design, implement and maintain effective internal controls over the financial reporting to ensure that financial statements are prepared free of material misstatement, whether due to fraud or error.

b. Audit Committee Role

i. Monitor the internal controls over financial reporting, including policies, processes, and internal controls in place to mitigate financial reporting risks;

ii. Recommend the appointment of an external auditor;

iii. Provide assurance to Council that the Town's operations are in compliance with pertinent laws and regulations, Town business affairs are conducted ethically, and Administration maintains effective controls against conflict of interest or fraud.

5) In-Camera Discussions

a. Subject to the provisions of the Municipal Government Act, the Audit Committee may choose to schedule regular in-camera sessions during the regular Committee or Council meetings with the auditor(s) and without Directors/Managers present and equally with Directors/Managers without the auditor(s) present.

It is the responsibility of Council to ensure that the provisions of this Policy are followed.

Administration shall establish procedures for this policy and shall be responsible to ensure the spirit and intent of the policy is adhered to.

Additional References

- Audit Committee Charter
- KPMG – Role and Duties of Audit Committees
- Municipal Government Act
- Audit Committee – Port Hope

MAYOR — DATE: OCT. 11, 2018

CHIEF ADMINISTRATIVE OFFICER — DATE: Oct. 4/2018