

AUDIT COMMITTEE

Terms of Reference

Composition:

- Minimum of five members of Council
- The Mayor, who is an *ex-officio* member
- Minimum of one to a maximum of three citizen members

Term of Office: Concurrent with the term of Council, ending November 30, 2022, or until successors are appointed

Established by: Council Resolution

Meetings: Quarterly, or as required by the Chair

Reports to: City Council

Supported by: City Clerk's Office

Qualifications:Elected Officials:

- Where feasible, a background in finance, audit, or accounting would provide the Committee with additional expertise

Citizen Member(s):

- Lives and/or operates a business in Brampton
- Has a professional Accounting designation with a minimum of 10 years experience
- Demonstrates skill in strategy and innovation
- Proficient in accounting and auditing
- Displays exceptional verbal, written, listening, teamwork and collaboration skills

Objectives of the Audit Committee:

The objective of the Audit Committee is to enhance Council's understanding of financial and control reporting both internally (as provided by the City's Internal Audit Division) and statutorily (as provided by the City's Auditors). The Committee enables Council to fulfill its oversight and stewardship responsibilities. The Committee also provides a focal point for improved communication between Council, the Internal and Statutory Auditors, and Management. The Committee strengthens the impartial, objective and independent review of management practices through the internal and statutory audit functions. In particular, the Committee's objectives are to:

- Demonstrate a higher level of public accountability;
- Provide additional assurance to the public that City services are administered in an effective, efficient and economical manner;
- Ensure compliance with legislation for public reporting;
- Ensure compliance with Corporate policies and procedures;
- Ensure the safeguarding of City assets; and
- Ensure impartial, objective and independent review of processes for City operations

Responsibilities of the Audit Committee

The Audit Committee is responsible for:

Statutory Audit Function

Making recommendations to City Council regarding the following:

- The selection and dismissal of the City's statutory Auditor(s) in accordance with the requirements of Section 296 of the *Municipal Act, 2001*;
- The terms of engagement, fees and scope of the audit services provided;
- The review and approval of the annual Audited Financial Statements; and
- The review and receipt of reports.

Internal Audit Function

- Reviewing and approving the risk based internal audit work plan as recommended by the Director, Internal Audit;
- Reviewing and approving the Internal Audit Charter;
- Reviewing Internal Audit reports issued during the year;
- Reviewing adequacy of the management responses to audit concerns in relation to the risks and costs involved;
- Ensuring the Internal Audit recommendations are implemented by reviewing Internal Audit's follow up reports;
- Reviewing and approving the Office of Internal Audit's budget;
- Participate in the selection of the Director, Internal Audit.
- Actively participate in discussions about and approving decisions regarding the removal of the Director, Internal Audit.
- Reviewing the adequacy of the authority, responsibilities and functions of the City's Office of Internal Audit, including Internal Audit plans, budget, and the scope and results of internal audits and management's responses thereto;
- Ensuring all Internal Audit activities are free from interference and related implications;
- Reviewing with the Director, Internal Audit the performance of the Internal Audit function;

- Reviewing and approving, together with the CAO, the performance of the Director, Internal Audit; and
- Reviewing and approving decisions relating to the remuneration of the Director, Internal Audit.

Financial and Other Reporting

- Reviewing the annual Management Letter prepared by the City's statutorily appointed auditors and the related management responses.

General

- Reviewing the Audit Committee mandate periodically;
- Communicating and meeting independently with the Director, Internal Audit as appropriate; and
- Any other matters that could come within the scope of the auditors.