



Appendix 4: A Chronology of Changes

The following sets out chronological changes to the Internal Audit Charter since 2019.

2019, March 19, Audit Committee Motion AU010-2019

The 2019 updates to the charter and terms of reference were the first since 2017. The motion to receive was carried. The two policy documents are the following:

- Internal Audit Charter Version 2019.
- Audit Committee Terms of Reference Version 2019.

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2020, September 8, Audit Committee Motion AU024-2020

The “Internal Audit Charter” report was presented to the Audit Committee by Internal Audit. The motion carried. Recommendations included:

- That the report titled Internal Audit Charter be received.
- That a By-Law be enacted, adopting the updated Internal Audit Charter and Audit Committee Terms of Reference attached to the report.

While the report was received, no motion was presented to Council to adopt the charter and terms of reference into By-law.

The 2020 Audit Charter updates changed the relationship between Internal Audit, the Audit Committee and the CAO.

- The updated 2020 Internal Audit Charter states, “The CAO is responsible for the general management of the affairs of the Internal Audit Division, including the appointment, dismissal and remuneration of the Director of Internal Audit.”
- The Internal Audit Charter 2019 states, “... the Audit Committee will... Approve decisions regarding the appointment and removal of the CAE [Director of Internal Audit] ... Approve decisions relating to the remuneration of the CAE.”

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2021, May 5, City Council Resolution C145-2021

On May 5, 2021, Council reinstated a previous version of the Internal Audit Charter

and Audit Committee Terms of Reference from March 2019 to ensure the independence and objectivity of the internal audit function. In addition, Council provided direction to staff to provide comments with regard to clarification of roles and responsibilities. The motion was moved by Regional Councillor Medeiros and seconded by all members of the City Council. The motion carried unanimously.

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2022, May 17, Audit Committee Motion AU017-2022

As directed by City Council, the CAO’s office updated the Internal Audit Charter and Audit Committee Terms of Reference. The report was presented at the May 17, 2022, meeting of the Audit Committee. It was deferred to the September 27, 2022, Audit Committee meeting to allow more time for Councilors to study the report.

The changes were based on the review of the Internal Audit Charter Version 2019, the audit charters of other municipalities and recommendations of The Institute of Internal Auditors (IIA).

The following table is an excerpt from the May report, which identified two areas where additional language would provide greater clarity and alignment with the current organizational structure.

Version 2019	Proposed changes (Version 2022)
<p>To establish, maintain, and assure that the City’s Internal Audit has sufficient authority to fulfill its duties, the Audit Committee will:</p> <ul style="list-style-type: none"> • Approve decisions regarding the appointment and removal of the CAE. 	<p>To establish, maintain, and assure that the City’s Internal Audit has sufficient authority to fulfill its duties, the Audit Committee will:</p> <ul style="list-style-type: none"> • Participate in the selection of the Director, Internal Audit. • Actively participate in discussions about and approving decisions regarding removal of the Director, Internal Audit.
<p>Director, Internal Audit is referred to as Chief Audit Executive (CAE)</p>	<p>Chief Audit Executive (CAE) removed and replaced with Director, Internal Audit</p>

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2022, September 27, Audit Committee

Due to the 2022 municipal election, the September 27 meeting of the Audit Committee would have been the last meeting of that council term. However, the Audit Committee did not occur due to a lack of quorum. As a result, the “Update of Internal Audit Charter and Audit Committee Terms of Reference” was not received or approved.

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2023, January 30, Council Workshop

Whereas the Audit Committee Terms of Reference need to be reviewed and approved for this term of City Council, the new members of the Audit Committee directed staff, at the Council Education session on January 30, 2023, to:

- Combine the Audit Charter and Audit Committee Terms of Reference into one document.
- Present the Audit Charter and Audit Committee Terms of Reference to be approved into By-Law.

Click [here](#) for the meeting agenda.

2023, February 21, Audit Committee Motion AU9-2023

The Audit Committee received the report titled: "Update of Internal Audit Charter and Audit Committee Terms of Reference."

The Audit Committee directed staff to review the Audit Committee Terms of Reference and the Audit Charter and provide a draft version of a combined document to the next scheduled Audit Committee meeting.

The charter and terms of reference approved by the Audit Committee kept the changes prepared for the September 27, 2022, meeting of the Audit Committee. In addition, the motion resolved that any Internal Audit report directed to the Audit Committee by the Director of Internal Audit shall not require prior approval by the Chief Administrative Officer or other management staff. The Audit Committee also voted to change the number of citizen members to reflect the change in the size of the audit committee.

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