

AUDIT COMMITTEE OF COUNCIL

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: TERMS OF REFERENCE
AUDIT COMMITTEE**

RECOMMENDATION:

1. THAT Council approve the Audit Committee Terms of Reference in Attachment 1.

REPORT

The Audit Committee of Council, at its meeting held on 2012 May 08, received and adopted the *attached* report providing Terms of Reference for consideration and approval.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

His Worship, Mayor D. Corrigan
Member

Councillor P. McDonell
Member

Copied to:	City Manager Deputy City Managers (2) Director Finance Director Planning & Building Director Parks, Recr. & Cult. Services Director Engineering
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TO: CHAIR AND MEMBERS
AUDIT COMMITTEE

DATE: 2012 May 02

FROM: DIRECTOR FINANCE

FILE: 2410-20
Reference: AUDIT

**SUBJECT: TERMS OF REFERENCE
AUDIT COMMITTEE**

PURPOSE: To provide Terms of Reference for consideration of the Committee.

RECOMMENDATION:

1. **THAT** Audit Committee request Council approve the Audit Committee Terms of Reference.

REPORT

Following the 2012 April 16 adoption of Council's approval to establish an Audit Committee of Council, staff were requested to provide Terms of Reference for consideration by the Committee at the inaugural meeting, 2012 May 8.

The provision of an Audit Committee supports the principle that the financial and administrative functions of the City of Burnaby are accountable to Council who are the representatives of the taxpayers of Burnaby.

As a municipal best practice, the Terms of Reference will set the governance and state the duties required of the Committee. The Committee will act as an advisory committee, facilitating communication between Council, management and the external auditors to assist City Council in fulfilling its oversight responsibilities

The purpose, authority, and roles and responsibilities to be assumed by the Committee are provided in the Terms of Reference as Attachment 1.

To: Audit Committee
From: Director Finance
Re: Terms of Reference
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Recommendation

It is recommended that the Audit Committee recommend Council approve the Terms of Reference for the Audit Committee as stated in Attachment 1.

Denise Jorgenson
DIRECTOR FINANCE

DJ:ml

Copied to: City Manager

Attachment 1: Terms of Reference -- Audit Committee

AUDIT COMMITTEE**TERMS OF REFERENCE**

POLICY TYPE:	COUNCIL COMMITTEE	DATE:	2012 May 08
POLICY NUMBER:	2410-20-AUDIT		

PURPOSE

Audit Committee

- 1.0** To assist, advise and make recommendations to Council regarding the fulfillment of Council's oversight responsibilities relative to City financial reporting, external audit requirements, internal control and audit, quality assurance and risk management and compliance with financial regulations and policies.

POLICY**2.0 Duties and Responsibilities****2.1 Authority**

The Audit Committee is established pursuant to sections 142 – Select Committees of Council and 154 – Delegation of Council Authority of the Community Charter, and has all the powers, duties and authority set out in any other City Bylaw or provincial legislation that applies to this Committee.

City Council does delegate to the Audit Committee Council's powers, duties and functions under Division 2 of Part 6 of the Community Charter. The Audit Committee is governed by Burnaby Audit Committee Bylaw #13084. The provisions of Burnaby 2004 Procedure Bylaw #11714 is also applicable to this Committee.

Senior Management has the primary responsibility for these duties; City Council has oversight responsibilities in those areas that are management's responsibilities.

2.2 Scope of Work

To achieve the objective, the Audit Committee is authorized by Council to undertake the following activities:

- (a) recommend to Council the appointment or termination of the external auditors;
- (b) ensure independence of the external auditor process through the establishment of a direct reporting relationship to the Audit Committee;
- (c) resolve issues of restriction that limit the scope of an audit or prevent access to City records by either internal or external auditors;
- (d) provide oversight to the external audit process on matters relating to the annual financial statements, including the review of the Audit Findings Report, the Management Response Letter to these audit findings and receipt and review of the Audit Financial Statements on behalf of Council;
- (e) provide recommendation to Council regarding the approval the City's annual audited financial statements;
- (f) review any significant issues identified during the course of audits and the extent to which remedial recommendations have subsequently been implemented;
- (g) review and approve internal audit plans annually and provide recommendations for areas of focus;
- (h) review internal audit and management reports submitted to the Committee;
- (i) consult with the external auditor concerning internal controls;
- (j) consider significant changes to auditing and accounting principles and practices, including major financial changes as a result of legislated guidelines and/or best practices, including the communication of the necessity for operational changes and policies to meet these requirements; and
- (k) consider any other matter referred to the Committee by Council.

3.0 Composition of Membership

The Audit Committee members are the Mayor and the members of the Finance & Civic Development Committee. Staff resources to the Committee include the City Manager, Director Finance and the Senior Internal Auditor as well as administrative support from the Office of the City Clerk.

4.0 Term

The members of the Audit Committee are appointed for a term of one year.

5.0 Meeting Process

5.1 Meeting Schedule

A meeting schedule shall be set to be held quarterly on the fourth Wednesday of every third month at 5:30 p.m. in the Council Committee Room as set out in an annual report to Council.

5.2 Meeting Procedure

Audit Committee Meetings will be conducted in accordance with the Community Charter Act of BC and City of Burnaby Procedure Bylaw No. 11714.

1. Agendas and Minutes will be prepared in accordance with the Procedure Bylaw.
2. Voting is based on a majority.
3. A quorum is required to conduct a meeting; a quorum is a majority of the number of members of which the Committee consists.
4. Motions require a mover and seconder, discussion and then voting.
5. Each member of the Audit Committee has one vote (including the Chair).
6. In the event of a tie, the motion is declared lost.

6.0 Rules of Procedure

Meetings shall be conducted in accordance with the Procedure Bylaw, Community Charter and terms outlined in this Policy:

- (a) meetings shall be open to the public unless the matter to be discussed falls within the requirements for a Closed Meeting as set out in the Community Charter of BC;
- (b) consider and make recommendations to Council relative to the development of the annual operating and capital budgets;
- (c) minutes of each Committee meeting shall be recorded by the Administrative Officer and forwarded to the Committee for approval and adoption at a subsequent meeting;
- (d) recommendations of the Committee must be adopted by Committee motion prior to presentation to Council;

- (e) delegations will be accepted, subject to submitting a letter to the Administrative Officer seven working days prior to a meeting, providing the name of the speaker, contact information and the topic to be discussed;
- (f) anyone attending the meeting who is not on the Agenda as a Delegation is considered to be attending for observation purposes and is not permitted to participate in the discussion or ask questions unless invited to do so by the Chair;
- (g) delegations are permitted 10 minutes to present their information to the Committee, after which Committee members may ask questions of the delegates;
- (h) all correspondence and communications to/or from the Committee shall be kept by the Administrative Officer.

Version Control:

Approval Date:	Approved by:	Description:
2012 May 08		
Amendment Date:	Approved by:	Description: