



**2020  
AUDIT COMMITTEE**

**Mayor C.A. Spearman**  
**Councillor B.A. Crowson**  
**Councillor J.P. Mauro (Alternate)**  
**Councillor S. R. Miyashiro**  
**Councillor J.A. Coffman**

City Manager  
 City Treasurer  
 City Solicitor

**David Sarsfield, Audit Committee Assistant (403-329-7329)**

*Terms of Reference adopted November 17, 2003/Addition to Membership November 14, 2005/Revised April 16, 2007, Revised: June 21, 2010. Revised: April 28, 2014 , Revised: January 2020*

<b>Membership:</b>	<ul style="list-style-type: none"> <li>• Mayor</li> <li>• Three (3) Members of Council plus one (1) Alternate (Term: 1 year);</li> <li>• City Manager</li> <li>• City Treasurer</li> <li>• City Solicitor</li> </ul>
<b>Mandate:</b>	Assist Council in fulfilling its oversight responsibilities, primarily to: <ul style="list-style-type: none"> <li>• Monitor the Internal Controls over Financial Reporting (ICFR);</li> <li>• Monitor the independence and performance of the Auditors;</li> <li>• Provide avenue for communications among City Council, Administration, and the Auditors;</li> <li>• Identify and monitor the management of the principal risks that could impact the financial reporting of the City; and</li> <li>• Oversees risk management to minimize the City's exposure to loss.</li> </ul>
<b>Meetings Held:</b>	Held: Approximately four (4) times per year How Often: As required Times of Meetings: Duration of Meetings Location: City Hall
<b>Contact:</b>	City Clerk's Office – David Sarsfield – 403-329-7329

**AUDIT COMMITTEE TERMS OF REFERENCE**  
**APRIL 2014**  
**REVIEWED APRIL 2017**  
**REVISED JANUARY 2020**

**1. AUDIT COMMITTEE:**

Standing Committee

**2. AUDIT COMMITTEE PURPOSE:**

The Audit Committee is appointed by City Council to assist Council in fulfilling its oversight responsibilities, primarily to:

- Monitor the Internal Controls over Financial Reporting (ICFR) including the policies, procedures and internal control mechanisms in place to ensure the accuracy, completeness and timely preparation of the City's financial reports and financial statements
- Monitor the independence and performance of the Auditors
- Conduct special reviews or performance reviews of departments, projects, etc. and make implementation recommendations to Council
- Oversee operational reviews of the City and make implementation recommendations to Council
- Provide an avenue of communication among City Council, Administration and the Auditors
- Identify, monitor, and recommend mitigation strategies for management of the principal risks that could impact the financial reporting of the City
- Oversee the process of the Integrated Risk Management System including risk identification, analysis and management procedures to minimize the City's exposure to loss

**3. AUDIT COMMITTEE KEY DUTIES AND RESPONSIBILITIES:**

- Review audit plan
- Review engagement letter and letter of representation
- Discuss year-end audit results and summary of audit differences
- Review Auditor's report and management letter
- Consider internal controls and financial risks including information technology systems
- Review annual financial statements – discuss with Administration, Auditors – recommend approval to City Council
- Review and approve the purpose and scope of the operational reviews
- Review / recommend appointment of Auditors and associated fees
- Discuss the appropriateness of accounting principles, critical accounting policies and management judgments and estimates
- Review legal matters with the City Solicitor
- Monitor compliance with existing policies and legislation which would include attestations from the Senior Management Team

- Recommend to City Council for improvement and implementation strategies for any of Audit Committees duties and responsibilities
- Maintain minutes and circulate to Audit Committee
- Review financial personnel succession planning
- May identify the need for audit reviews and special studies and recommend appropriate action to City Council
- Provide a summary of its activities to be included in the City's published Annual Report
- Review financial policies as required
- Perform other activities as appropriate

**4. AUDIT COMMITTEE APPOINTMENTS AND MEMBERSHIP:**

- Mayor
- Three members of City Council plus one alternate

Council members are appointed annually by City Council at the annual Organization Meeting of City Council.

The Committee selects its Chairman and Vice-Chairman each year at the first meeting following the annual Organizational Meeting of City Council.

Quorum is two members.

**5. AUDIT COMMITTEE MEETINGS:**

The Audit Committee meets four times a year and as required. Timing of meetings may vary

**6. AUDIT COMMITTEE RESOURCES:**

- a) Financial
  - No financial budget available for the Committee
- b) Staff
  - City Manager
  - City Treasurer
  - City Solicitor
  - Clerical support provided from the City Clerk's Office
  - Any other staff as necessary.
- c) Auditors

**7. AUDIT COMMITTEE REPORTS, TARGET DATES AND ANNUAL MEETING AGENDA:**

Meeting dates and agenda are included in Appendix 'A'.

## 8. TERMS OF REFERENCE REVIEW AND APPROVAL:

To be reviewed in April of the year of a municipal election.

### Appendix 'A'

	April	Sept	Nov.	Feb.
• Audit Committee Chair to establish meeting agenda	X	X	X	X
• Provide update on current financial events	X	X	X	X
• Private session with Auditors	X	*	X	*
• Review audit plan			X	
• Review engagement letter			X	
• Review letter of representation	X			
• Discuss year-end audit results and summary of audit differences	X			
• Review auditor's report and management letter	X			
• Review annual financial statements – discuss with Administration, Auditors – recommend approval to City Council	X			
• Establish work plan for operational reviews		X	X	
• Consider internal controls and financial risks	X	X	X	X
• Consider the processes of the Integrated Risk Management System		X	X	
• Discuss the appropriateness of accounting principles, critical accounting policies and management judgments and estimates	X	X	X	X
• Review financial information from the Treasurer	*	*	*	*
• Review / recommend appointment of Auditors and/or associated fees		X		
• Review legal matters with City Solicitor	*	X	*	X
• Perform other activities as appropriate	*	*	*	*
• Maintain minutes and circulate to Audit Committee	X	X	X	X
• Review financial personnel succession planning				X
• Identify the need for audit reviews and special studies and recommend appropriate action to City Council	*	*	*	*
• Review report/summary of its activities (for Annual Report)				X
• Review investment policy		X		

X = Recommended Timing

\* = As Needed