



SUBJECT: Audit Committee terms of reference review

TO: Audit Committee

FROM: Clerks Department

Report Number: CL-08-17

Wards Affected: All

File Numbers: 130-02

Date to Committee: May 31, 2017

Date to Council: June 12, 2017

Recommendation:

Approve minor amendments to the Audit Committee Terms of Reference as outlined in Appendix A of clerks department report CL-08-17.

Purpose:

To provide a final update of the work of the audit subcommittee on the biennial review of the Audit Committee Terms of Reference.

An Engaging City

- Good Governance

Background and Discussion:

At the March 4, 2015 meeting of the Audit Committee, a subcommittee was appointed to conduct the biennial review of the Terms of Reference of the Audit Committee.

The subcommittee includes:

- Councillor Paul Sharman and two Audit Committee citizen representative members, Maciej Jurczyk and Peter Maher

To date, the subcommittee has provided the following reports to the Audit Committee recommending amendments to the Terms of Reference:

- Report CL-23-15, dated June 17, 2015

- Report CL-13-16, dated June 22, 2016

The City Auditor and the Committee Clerk were identified as key resources.

At the request of the subcommittee, the City Manager provided City Manager's Office report CM-03-17 at the February 1, 2017 Audit Committee meeting, regarding a policy and bylaw roadmap to respond to the fourth bullet contained in the Corporate Control Framework section of the Audit Committee Terms of Reference. This section of the terms of reference indicates that the committee will "review and discuss by-laws and policies specifically regulating the conduct of members of council and committees, staff, and suppliers (e.g. purchasing by-law, code of conduct, etc.)

The policy and bylaw roadmap provided by the City Manager did not identify the Audit Committee as having any role in the reporting structure for the bylaws or policies addressing conduct and behaviour at the city. Subsequently it is recommended by the subcommittee that the fourth bullet in the Corporate Control Framework section of the Audit Committee Terms of Reference be deleted.

The subcommittee also recommends that the next Terms of Reference review date be set for 2019, rather than 2018. As there will likely be a number of new members of the committee commencing late in 2018, a review by that new committee would be more appropriate one year into the member's term.

Both amendments are noted in Appendix A to clerks department report CL-08-17. The members of the subcommittee will continue to work with management to ensure the revised Terms of Reference and related information requirements will satisfy the oversight responsibilities of the Audit Committee.

Financial Matters:

Not applicable.

Connections:

Not applicable.

Public Engagement Matters:

Not applicable.

Conclusion:

This report represents the conclusion of the subcommittee's review of the Audit Committee's terms of reference.

Respectfully submitted,

Lisa Palermo

Committee Clerk

905-335-7600, ext. 7492

Appendices:

- a. Revised Audit Committee Terms of Reference

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.