



AMENDMENT – COUNCIL RESOLUTION – JUNE 08, 2015
AMENDMENT – FINANCE COMMITTEE RESOLUTION - MAY 27, 2015

Finance Committee Terms of Reference

Committee Composition

The Finance Committee shall be comprised of 3 members of Council and 2 Senior Finance Staff. A representative of the City's external auditor will be invited to attend the initial meetings of the committee and as needed in the longer term.

The Committee Chair is a member of Council.

Meetings

The Finance Committee shall meet on a regular basis at the call of the Committee Chair at least 4 times a year on the first Thursday of the month in February, April, June and October. Additional meetings may be authorized by the Chair at the request of any member of the Committee, at the request of the City's auditors, or at the request of any member of Council.

Role and Mandate

- The Finance Committee will review and advise City Council on matters relating to financial reporting and assurance that an effective control and governance framework is in place.

Functions of the Finance Committee

1. Audit Planning and Preparation

- Review with the auditors the scope of the current year's audit, including areas where the auditors have identified a risk of potential error in the financial condition and/or results of operation
- Assess whether appropriate assistance is being provided to the auditors by the organizations staff

- Review control weaknesses detected in the prior year's audit, and determine if all practical steps have been taken to overcome them
- Approve the auditor's engagement letter, including audit fees and expenses

2. Information and Control Systems

- Enquire about changes in the financial systems and control systems during the year
- Enquire into the condition of the records and the adequacy of resources committed to accounting and control
- Enquire into major financial risks found by the organization and the appropriateness of related controls to minimize their potential impact

3. Annual Financial Statements

- Receive and review the unaudited and audited financial statements of the Corporation whether interim or year-end and report to Council prior to the Council's approval thereof
- Review audited financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods
- Recommend approval of the financial statements to Council
- Enquire about changes in professional standards or regulatory requirements

4. Audit Results

- Review the auditor's proposed report on the financial statements
- Review the auditor's management letter documenting weaknesses in internal control systems and commenting on other matters
- Meet privately with the auditors to ascertain whether there are concerns that should be brought to the committee's attention

5. Auditor's Appointment

- Meet privately with senior management to ensure that management has no concerns about the conduct of the audit
- Enquire as to the experience and capabilities of the individuals being proposed to conduct the audit and their objectivity and independence
- Recommend to Council the auditors to be appointed and the term of the appointment

6. Duty to Report

- Prepare a report to Council describing the Finance Committee's activities during the past reporting period
- Prepare a report to Council discussing actions it has taken and the assistance the committee has had in fulfilling its duties

Additional Responsibilities Beyond the Scope of Audit

- Monitor the City's current financial performance
- Review and receive variance reports and recommend approval to Council
- Review the timetable and guidelines for the preparation of the following year's operating budget
- Establish priorities for capital projects for the following year's budget
- Review internal controls and internal audit issues
- Review treasury functions including investments and debts