

Finance Department



Finance Committee Terms of Reference (February 5, 2018)

Committee Composition

The Finance Committee shall be comprised of 3 or 5 members of Council (voting) and 2 external skill-based members (voting). The Committee Chair is a member of Council.

Meetings

The Finance Committee shall meet at least 4 times a year based upon Committee approved annual schedule. 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, including but not limited to, hearing presentations, delegations and receiving correspondence regarding tax policy, capital and operating budgets and other financial policies.

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

2. Annual Financial Statements

- Receive and review the audited financial statements of the Corporation 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

3. 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
- 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
- Meet privately with the auditors to ascertain whether there are concerns that should be brought to the committee's attention

4. 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
- Participate in selection of auditor through approved Procurement Policies and Procedures By-law
- Recommend to Council the auditors to be appointed and the term of the appointment

5. Additional Responsibilities Beyond the Scope of Audit

- Review and receive quarterly financial reports. Monitor variances as reported by management and the City's financial performance and recommend approval to Council

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- Review the timetable and guidelines for the preparation of the following year's operating budget
- Review and recommend for approval to Council priority ranking criteria for capital projects for the following year's budget
- Establish budget input process and review results/suggestions. Provide summary and recommended follow up to Council
- Oversee service level reviews, including proposed changes to existing service levels, or the introduction of new services or programs delivered
- Review funding from other levels of government, operating and capital, and propose strategies to address deficiencies, as directed by Council. Recommend and advise Council.
- Review investments and long term debt policies

6. Duty to Report

- The Committee Chair is to prepare a report to Council describing the Finance Committee's activities during the past reporting period
- Report to Council actions the Committee has taken and the assistance the committee has had in fulfilling its duties

7. Delegations at Meetings

Delegation requests will be reviewed and approved as per the City's Procedural By-law.