

VILLAGE OF PORT WILLIAMS



Audit Committee Policy

Purpose:

The purpose of the Audit Committee is to provide recommendations to the Village Commission on all matters relating to audit and finance.

Policy Objectives:

- Fulfil the requirements outlined in Section 44 of the Municipal Government Act;
- Assist the Village Commission in meeting its responsibilities by ensuring the adequacy and effectiveness of financial reporting, risk management and internal controls.

Policy:

The Audit Committee will consist of three members; two Commission members and a citizen members. The Commissioners and citizen member will serve a two-year term to maintain a knowledge base and Commission members should rotate off in opposite years to maintain continuity. In the first year, one Commission member will only serve a one-year term to establish an opposing year rotation.

Citizen members cannot be related to a member of the Village Commission or to an employee of the Village.

The Committee will select a member as chair.

All Committee members serve without pay.

Duties and Responsibilities:

Audit:

Audit: a) Carry out the responsibilities of an Audit Committee contained in Section 44 of the Municipal Government Act;

b) Review the qualifications, independence, quality of service, performance and fees of the External Auditors annually and recommend the appointment of an auditor to the Commission;

c) Require terms of reference or engagement terms for every audit or special purpose engagement;

c) Review with the Village Commission and the External Auditor, the annual audited financial statements and recommend approval to the Commission;

d) Review with the Village Commission, the internal control management letter received from the auditors and recommend any changes to the Commission, as required.

Finance and Risk Management:

a) Review with Management the quarterly financial package and the annual summary report to be presented to the Commission and recommend approval;

b) Review with Management annually all financial policies including those used in the preparation of the external financial statements;

c) Review with Management the adequacy of internal controls;

d) Review with Management annual risk management practices including insurance coverage.

Administration:

The Audit Committee will meet bi-annually, in June and January. Additional meetings may be necessary to review items relating to the audit and will be called by the Chair. A minimum of two Committee members must be present and must include the citizen member to hold quorum.

The Chief Financial Officer and the Village Clerk will provide staff support to the Committee.

Members of the Audit Committee will be provided with the required training outlined by Municipal Affairs.