

# **Town of Mahone Bay**

## **Policy # 18**

### **Audit Committee Policy**

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#### **1.0 Purpose**

The primary purpose of the Audit Committee is to provide advice to Council on all matters relating to audit and finance. The objectives of the Committee are to a) fulfil the requirements outlined in Section 44 of the Municipal Government Act; and b) assist Council in meeting its responsibilities by ensuring the adequacy and effectiveness of financial reporting, risk management and internal controls.

#### **2.0 Scope**

This Policy is applicable to all serving members of the Town of Mahone Bay Audit Committee.

#### **3.0 References**

- 3.1 Nova Scotia Municipal Government Act (MGA)

#### **4.0 Definitions**

- 4.1 CAO means the Chief Administrative Officer for the Town of Mahone Bay
  
- 4.2 Director of Finance means the Director of Finance and Treasurer for the Town of Mahone Bay as appointed by the CAO

#### **5.0 Policy, Duties and Responsibilities**

##### **5.1 Composition.**

- 5.1.1 The audit committee shall be comprised of all members of Council plus two citizen appointment and shall be appointed annually by Town Council.
- 5.1.2 The Chair shall be a member of Council
- 5.1.3 Citizen appointments shall be residents of the Town of Mahone Bay
- 5.1.3 All Committee members serve without pay.

##### **5.2.0 Audit:**

- 5.2.1 Periodically review the qualifications, independence, quality of service, performance and fees of the External Auditors and recommend the appointment of an auditor to Council;
- 5.2.2 Carry out the responsibilities of an Audit Committee contained in Section 44 of the Municipal Government Act;
  - (a) a detailed review of the financial statements of the municipality with the auditor and management;
  - (b) an evaluation of internal control systems and any management letter with the auditor and management;
  - (c) a review of the conduct and adequacy of the audit;

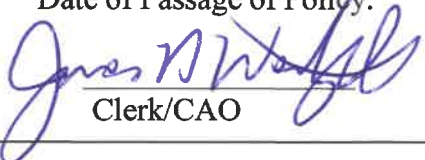

- (d) such matters arising out of the audit as may appear to the audit committee to require investigation;
  - (e) such other matters as may be determined by the council to be the duties of an audit committee;
  - (f) any other matters as may be determined by the council.
- 5.2.3 Recommend approval of the audited financial statements to Council.;

**5.30 Finance and Risk Management**

- 5.3.1 Review with Management that the completion of meaningful financial data is provided on a timely basis and ensure compliance with the reporting requirements of the provincial government.
- 5.3.2 Review with Management the quarterly financial package to be presented to Council and recommend approval;
- 5.3.3 Review with Management annually all financial policies including those used in the preparation of the external financial statements;
- 5.3.4 Review with Management the adequacy of internal controls;
- 5.3.5 Review with Management the adequacy and use of town reserves and surplus funds.
- 5.3.6 Review with Management annually risk management practices including insurance coverage.
- 5.3.7 The committee will periodically assess banking services and recommend any changes to Council.
- 5.3.8 The committee will periodically review with Management the town's investment portfolio and investment practices of the town

**5.40 Administration**

- 5.4.1 The meeting of the Committee will be held at least quarterly
- 5.4.2 Additional meetings may be necessary to review items relating to the audit and will be called by the Chair.
- 5.4.3 The CAO and Director of Finance will provide staff support to the Committee.

<b>Clerk's Annotation for Official Policy Book</b>	
Date of Notice to Council Members of Intent to Consider {7 days minimum notice}:	May 17, 2017
Date of Passage of Policy:	May 25, 2017
 Clerk/CAO	 Date