

MUNICIPALITY OF THE COUNTY OF ANNAPOLIS POLICY AND ADMINISTRATION MANUAL		104
Section Procedure & Organization of Council	Subject Audit Committee Policy	

PURPOSE, OBJECTIVES AND RESPONSIBILITIES

1. The Audit Committee is a standing committee of the Municipal Council.
2. 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.
3. Specifically, the Committee is responsible for:
 - a) Reviewing with the external auditor the annual financial statements of the Municipality and its utilities.
 - b) Reviewing the external auditor report, and discussing the financial statements with management and with the external auditor.
 - c) Reviewing the auditor management letter (where applicable) and management’s response thereto, as well as the status of any significant issues reported previously.
 - d) Recommending the annual financial statements and appointment of a municipal auditor to Council for approval.
 - e) Reviewing, on a quarterly basis, the adequacy of the internal control systems, policies, and processes to minimize risk and ensure fairness of application of financial rules to all residents and taxpayers.
 - f) Reviewing quarterly financial variance reports, seeking clarification on items of interest, and providing guidance on items that are outside the scope of normal expected variances.
 - g) Reviewing biennially and assessing for value and comprehensiveness, the Municipality’s insurance and banking contracts, seeking to maximize revenue, lessen costs, while protecting the financial and physical assets of the Municipality.
 - h) Reviewing and considering any matters relating to the adequacy of internal controls and any reports from management or others on significant control deviations or indications of fraud and the corrective action undertaken.
 - i) Reviewing and approving the overall scope and approach of the auditor’s annual audit plan, with substantive changes or significant increases in costs required to be approved by Council.

AUTHORITY

4. Section 44 of the *Municipal Government Act*, as amended.

DEFINITIONS

5. Unless otherwise defined, terms used in this policy shall have the same meanings as those defined in the *Municipal Government Act*, or from a dictionary of the Canadian language.

MUNICIPALITY OF THE COUNTY OF ANNAPOLIS POLICY AND ADMINISTRATION MANUAL		104
Section Procedure & Organization of Council	Subject Audit Committee Policy	

MEMBERSHIP

6. Membership on the Audit Committee shall consist of the following:
 - a. three (3) members of council; and
 - b. three (3) members of the public
7. Members shall be appointed for a two-year term in November after each regular municipal election and each two years thereafter, but must be re-appointed by motion each year to comply with the *Municipal Government Act*.
8. All committee members shall be reimbursed their reasonable expenses for attending committee meetings, and mileage / kilometrage and meals shall be paid at such rate as may be prescribed by Municipal Council.
9. Except to the extent that the chair is otherwise determined by statute, bylaw or policy, Municipal Council shall appoint a person to serve as chair of the Audit Committee, after seeking the advice of the Nominating Committee; but if Municipal Council does not appoint a chair, the committee shall elect a chair from one of its members. The chair shall be entitled to speak and vote on any matter before the Committee. Subject to the other provisions of this policy, the chair shall have the same powers and responsibilities at committee meetings that are conferred upon the chair at Municipal Council meetings, with any necessary modifications for context.
10. All meetings of the Audit Committee shall be public meetings, except as provided for under the *Municipal Government Act*.
11. The Chief Administrative Officer or—designate may appoint an employee of the Municipality to serve as Secretary.
12. *AM-1.3.5.1 Audit Committee Policy*, adopted by Municipal Council of the County of Annapolis on January 19, 2021, is hereby repealed.

Municipal Clerk’s Annotation for Official Policy Book	
I certify that this policy was adopted by Municipal Council as indicated below:	
Seven (7) Day Notice	November 14, 2023
Council Approval	November 21, 2023
<u><i>Carolyn Young</i></u> Municipal Clerk	<u>November 21, 2023</u> Date