

Motion: That the name of the Finance and Audit Committee be changed to the Finance Committee and the Terms of Reference be amended to remove the section on Enterprise Risk Matters.

Motion: That a Terms of Reference for an Audit Committee be drafted based on the following.

Audit Committee Terms of Reference

Mandate

The audit committee will play a key role in assisting council to fulfill its oversight responsibilities in areas such as the city's financial reporting, internal control systems, risk management systems and the internal and external audit functions.

The Audit Committee is responsible for the following:

- to report directly to the Municipal Council;
- to oversee all audit matters, including evaluation of internal and external services to ensure effective, independent, yet complementary audit services are received;
- to satisfy itself as to the existence and terms of an Engagement letter from the external auditors and the outsourced internal auditors, as advised by the Administration;
- to review the arrangements for the scope of the annual audits, accounting principles (including alternatives), materiality limits incorporated in the audit, and to determine the reasonableness and adequacy of the audit fee;
- to review the auditors' report and audited financial statements and to satisfy itself that these financial statements present fairly, the financial position and results of operations, and that the external auditors have no reservations about these statements, and to make such recommendations thereon to the Municipal Council as deemed necessary;
- to satisfy itself that there are no unresolved issues between the Administration and the auditors, and that there is a good working relationship between the Administration and the auditors;
- to review the auditors' management letters, together with the implementation plans, as advised by the Chief Administrative Officer;
- to recommend the appointment of new auditors on the advice of the Administration, in the event of a vacancy;
- to annually review and approve the work plan from the outsourced internal auditor, including providing input for the risk-based audit plan;
- authorize assignments (internal and/or external) as may be determined necessary, from time-to-time;
- to receive reports of the external and internal auditors, including the interim and annual summary reports of findings from the auditors; and,
- to receive the functional reporting of the outsourced internal auditor.
- Oversee the City of Nanaimo's enterprise risk management practices and processes relating to risk mitigation and business continuity and make recommendations to council regarding risk management.

Composition

- Mayor
- Two members of Council
- Two citizen appointees (at least one with a CPA designation)

Term of Office

Concurrent with the term of the Municipal Council making the appointment.

Appointment Policies

Recommendations for appointment to the Audit Committee are made by the Governance and Priorities Committee and are considered by the City Council.

Through local newspaper advertisements, the City website, Social Media and postings at local library branches, qualified citizens are invited to apply for appointment as the citizen appointees.

The Chair and Vice-Chair are elected by the Committee from among its voting members.

Qualifications

Same qualifications as for the members of the Municipal Council. At least one citizen appointee shall have the designation of CPA.

Meetings

At least quarterly each year, and at such other times as shall be required and determined by the Chair.

Remuneration

No remuneration is paid to the Committee members.