

Policy:	GV-019
Coverage:	Town of Trenton
Council Approval:	February 13, 2018
Effective Date:	February 13, 2018

Audit Committee Policy

1. Purpose

1.1. 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) fulfill the requirements set out in s. 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 control systems.

2. Scope

2.1. This policy will apply to all serving members of the Town of Trenton Audit Committee.

3. References

3.1. Nova Scotia Municipal Government Act, *RSNS 1998, c.18* (MGA)

4. Definitions

4.1. CAO means the Chief Administrative Officer for the Town of Trenton

5. Policy

5.1. Composition

- 5.1.1. The Audit Committee shall consist of five (5) members – the Mayor, two elected Council members and two citizen appointees;
- 5.1.2. The citizen appointees shall be residents of the Town of Trenton;
- 5.1.3. The two elected Council members will be appointed annually by Town Council;
- 5.1.4. The citizen appointees will serve two year terms, with no restriction on the number of re-appointments. In order to ensure continuity in the Committee one citizen appointee will be reappointed or replaced each year;
- 5.1.5. The Committee Chair shall be a member of Council.

5.2. Duties and responsibilities - Audit


- 5.2.1. Periodically review the qualifications, independence, quality of service, performance and fees of the External Auditor and recommend the appointment of the External Auditor to Council;
- 5.2.2. Carry out the responsibilities of an Audit Committee as set out in s. 44 of the MGA, including but not limited to:
 - 5.2.2.1. a detailed review of the audited financial statements of the Town with the external auditor and management and recommend approval to Council;
 - 5.2.2.2. an evaluation of internal control systems and any management letter or other communication related thereto with management and the external auditor;
 - 5.2.2.3. a review of the conduct and adequacy of the audit;
 - 5.2.2.4. a review and action on such matters arising from the audit as may appear to the audit committee to require investigation;
 - 5.2.2.5. such other duties and responsibilities as may be determined by Council to be the duties of the Audit Committee;
 - 5.2.2.6. such other duties and responsibilities as may be assigned or delegated from time to time by Council.

5.3. Duties and responsibilities - Finance and Risk Management

- 5.3.1. Ensure that management completes and provides to Council meaningful financial information on a timely basis;
- 5.3.2. Ensure that management complies with the reporting requirements of the provincial government and its boards and agencies;
- 5.3.3. Review and recommend to Council for approval comprehensive financial reports to be completed by management on a quarterly basis;
- 5.3.4. Review with management on an annual basis financial and accounting policies including those used in the preparation of the external financial statements;
- 5.3.5. Review with management the adequacy of internal controls;
- 5.3.6. Review with management on an annual basis risk management practices including insurance coverage.

5.4. Administration

- 5.4.1. The Audit Committee shall meet at least quarterly in March, June, September and December;
- 5.4.2. Additional meetings may be required to review items related to the audit and will be called by the Chair;
- 5.4.3. The CAO and Deputy Clerk will provide staff support to the Audit Committee.

<u>CAO Annotation for Official Policy Book</u>	
Date of Notice to Council Members of Intent	
To Consider (Minimum 7 Days):	<u>January 29, 2018</u>
Date of Passage of Current Policy:	<u>February 13, 2018</u>
I certify that this Policy was adopted by Council as indicated above.	
_____ CAO	 Date <u>February 13, 2018</u>