TITLE: AUDIT COMMITTEE TERMS OF REFERENCE POLICY
SECTION: FINANCIAL MANAGEMENT
POLICY NO: 03000-05

APPROVAL DATE: October 26, 2026 **CAO Signature:**

POLICY PURPOSE

This policy establishes the terms of reference for the Audit Committee.

AUDIT COMMITTEE PURPOSE

The objectives of the Audit Committee are to:

a. Help Council meet its fundamental responsibilities of protecting the municipal assets and managing operations as efficiently as possible:
b. Provide better communication between the auditor and Council, and promote better understanding of the audit process;
c. Enhance the external auditor's independent position;
d. Increase the credibility and objectivity of the municipality's financial report; and
e. Strengthen the role of Council and committee members.

AUDIT COMMITTEE COMPOSITION

The Committee shall consist of all members of Council and two members of the public who are residents of the Town. The public members must not be a member of Council, employed by the Town, nor related to any member of Council or to an employee of the Town.

The public Committee members shall possess accounting, auditing, financial reporting and/or finance expertise. In instances in which qualified public committee members cannot be found other applicants will be considered.

When an Audit Committee does not include the public Committee appointments discussed above, the Audit Committee shall continue to meet and perform its duties and may exercise its powers; and the Town shall continue to advertise to recruit independent public committee members who meet the requirements set out in this policy every six months until the requirement is met.

Staff will provide support for the Committee but will not be voting members. Staff will be assigned by the Chief Administrative Officer.

Council shall appoint the public Committee members. All public Committee member appointments will be for two-year terms. The Mayor shall act as Chair and the Deputy Mayor shall act as Vice-Chair of the Committee.

Each Audit Committee member must complete training as prescribed by the Department of Municipal Affairs.

MEETING REQUIREMENTS

The Audit Committee shall meet at least four times a year.

There may, on occasion, be a need for the auditor to meet with the Audit Committee, without staff present. This would be accommodated through a request by either the Committee or the auditor to one another.

RESPONSIBILITIES AND FUNCTIONS

The responsibilities and functions of the Committee shall be as set out in Section 5(3)(e) of FRAM (Financial Reporting and Accounting Manual – Department of Municipal Affairs), a copy of which is attached in Appendix A.

Title/Role	Responsibilities
Director of Finance	Ensure policy is adhered to.

For Administrative Use Only:

VERSION LOG

Amendment Description	Policy Owner	Approved By	Approval Date
Repeal previous 2017 version of Audit Committee Terms of Reference Policy and replace with new Audit Committee Terms of Reference Policy,	Director of Finance	Council	October 26, 2026

Minutes Reference Date: October 26, 2026