

## 1. Purpose:

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The Audit Committee assists, advises and makes recommendations to Council regarding the fulfillment of Council's oversight responsibilities relative to City financial reporting, external audit requirements, internal control and audit, quality assurance and risk management, and compliance with financial regulations and policies.

### *Authority:*

- [Community Charter, Part 5, Division 4, S.141 \(Standing Committees of Council\)](#)
- [Community Charter, Part 5, Division 6, S.154 \(Delegation of Council Authority\)](#)
- [Community Charter, Part 6, Division 2, S.169-172 \(Audit\)](#)
- [Burnaby Audit Committee Bylaw 2012 \(No. 13084\)](#)

### *Background:*

- On 2012 April 16, Council adopted recommendations to establish an Audit Committee of Council.
- On 2012 May 07, Council adopted the Burnaby Audit Committee Bylaw 2012 (Bylaw No. 13084).
- On 2012 May 08, the Audit Committee held its first meeting.

## 2. Functions:

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- 2.1. To recommend to Council the appointment or termination of the external auditors.
- 2.2. To ensure independence of the external auditor process through the establishment of a direct reporting relationship to the Audit Committee.
- 2.3. To resolve issues of restriction that limit the scope of an audit or prevent access to City records by either internal or external auditors.
- 2.4. To provide oversight to the external audit process on matters relating to the annual financial statements, including the review of the Audit Findings Report, the Management Response Letter to these audit findings and receipt and review of the Audit Financial Statements on behalf of Council.
- 2.5. To provide recommendations to Council regarding the approval of the City's annual audited financial statements.

- 2.6. To review any significant issues identified during the course of audits and the extent to which remedial recommendations have subsequently been implemented.
- 2.7. To review and approve internal audit plans annually and provide recommendations for areas of focus.
- 2.8. To review internal audit and management reports submitted to the Committee.
- 2.9. To consult with the external auditor concerning internal controls.
- 2.10. To consider significant changes to auditing and accounting principles and practices, including major financial changes as a result of legislated guidelines and/or best practices, including the communication of the necessity for operational changes and policies to meet these requirements.
- 2.11. To consider any other matter referred to the Committee by Council.

### **3. Membership:**

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- 3.1. As per s. 141 of the *Community Charter*,
  - “(1) The mayor must establish standing committees for matters the mayor considers would be better dealt with by committee and must appoint persons to those committees.*
  - (2) At least half of the members of a standing committee must be council members.*
  - (3) Subject to subsection (2), persons who are not council members may be appointed to a standing committee.”*
- 3.2. As per s. 170 of the *Community Charter*,
  - “(1) As a limitation on Section 154 (delegation of council authority), a council may only delegate its powers, duties and functions under this Division to a committee comprised of council members.”*
- 3.3. The Audit Committee members are the members of the Financial Management Committee and the Mayor.
- 3.4. Membership term is one (1) year.
- 3.5. A member who is absent from three (3) consecutive meetings of the Committee without leave of the Committee or without reason satisfactory to the Committee shall forthwith cease to be a member.
- 3.6. Staff support is provided by the Chief Administrative Officer, Chief Financial Officer, Senior Internal Auditor, and the Legislative Services Department.

#### **4. Meetings:**

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- 4.1. Committee meetings will be held in accordance with criteria outlined in Sections 35 and 36 of the Burnaby Procedure Bylaw 2004 (Bylaw No. 11714).
- 4.2. Meeting procedures are regulated according to Burnaby Procedure Bylaw 2004 (Bylaw No. 11714).

#### **5. Reference Information:**

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- [Burnaby Procedure Bylaw 2004 \(Bylaw No. 11714\)](#)
- [Burnaby Audit Committee Report 2012 April 16](#)