

Committee of the Whole (2) Report

DATE: Tuesday, April 13, 2021

WARD(S): ALL

TITLE: **AUDIT COMMITTEE CITIZEN MEMBER APPOINTMENTS AND AMENDED AUDIT COMMITTEE TERMS OF REFERENCE AND AUDIT COMMITTEE CHARTER**

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: DECISION

Purpose

To consider the applications received for appointing two (2) citizen members to the Audit Committee and to approve amendments to the Audit Committee Terms of Reference and Audit Committee Charter, to facilitate the addition of the two citizen members to the Audit Committee.

Report Highlights

- On October 21, 2020, Council approved the establishment of an Audit Committee.
- The amendments proposed in this report action Council's request from the December 8, 2020 CW(2) meeting to further amend the Audit Committee Charter and Terms of Reference to facilitate the addition of two qualified members of the public to the Audit Committee.
- Recruitment for these positions began in February 2021, based on the eligibility criteria and recruitment process approved by Council in October 2020.
- If approved, the appointed citizen members will be able to participate at the next scheduled Audit Committee meeting on April 27, 2021.
- The successful candidates will be advised of their appointment.

Recommendations

1. That Council consider the applications received [Confidential Attachment 1] for appointing two (2) citizen members to the Audit Committee for the remainder of this Term of Council; and
2. That amendments to the Audit Committee Terms of Reference, substantially in the form in Attachment 2, and the Audit Committee Charter, substantially in the form in Attachment 3, to facilitate the addition of a maximum of two (2) qualified independent members of the public to the Audit Committee, be approved.

Background

Based on the discussion of this item at the Committee of the Whole meeting on December 8, 2020, further amendments to the Audit Committee Terms of Reference and Audit Committee Charter are required to facilitate the addition of a maximum of two (2) qualified independent members of the public to the Audit Committee.

The Director of Internal Audit, in collaboration with the Office of the City Clerk and Corporate and Strategic Communications, coordinated the recruitment process utilizing the City's Social Media platforms, and the City's website. The deadline for submitting applications was 4:30 p.m. on Friday, February 19, 2021.

Previous Reports/Authority

1. [Options for Establishing an Audit Committee](#)
2. [Audit Committee Terms of Reference and Amended Procedure By-Law and Audit Committee Charter](#)

Analysis and Options

A summary of the applications received is provided to Mayor and Members of Council as Confidential Attachment 1.

Additional wording has been added to the Membership section within the Audit Committee Terms of Reference. It now states that "*The Audit Committee shall be comprised of a maximum of four Members of Council plus a maximum of two qualified independent members of the public. All Audit Committee members will have full voting privileges*". The only other proposed amendment to the Terms of Reference is to indicate that only Members of Council can hold the positions of Audit Committee Chair and Vice-Chair.

The same two amendments have also been made in the Audit Committee Charter in Section 2, which has been renamed to "Composition, Eligibility of Independent Members of the Public and Election of Chair and Vice-Chair". The eligibility and recruitment process for appointing independent qualified members of the public to serve on the City of Vaughan's Audit Committee has also been added to this section. It

includes the same verbiage as contained within Attachment 2 of the report entitled, Internal Audit Report – Options for Establishing and Audit Committee, which was approved by Council on October 21, 2020. The Audit Committee Charter also indicates that the two qualified independent members of the public who will serve on the Audit Committee will do so without remuneration.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

It is recommended that Council consider the applications received for appointing two (2) citizen members to the Audit Committee. If approved, the appointed citizen members will be able to participate at the next scheduled Audit Committee meeting on April 27, 2021.

Approval of the amendments to the Audit Committee Terms of Reference and Audit Committee Charter are also required to facilitate the addition of the two (2) citizen members to the Audit Committee.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Confidential Attachment 1 – Applications (Mayor and Members of Council only).
2. Attachment 2 – Amended Audit Committee Terms of Reference.
3. Attachment 3 – Amended Audit Committee Charter.

Prepared by

Kevin Shapiro, Director of Internal Audit, ext. 8293

Approved by

A handwritten signature in black ink, appearing to read 'K. Shapiro', with a long horizontal flourish extending to the right.

Kevin Shapiro, Director of Internal Audit