



**AUDIT COMMITTEE
TERMS OF REFERENCE**

Mandate / Objectives

The objective of the Audit Committee is to assist Council in the discharge of governance, accountability and controllership responsibilities by ensuring risks are being appropriately addressed through strong governance, a risk/control and compliance framework, appropriate stewardship and an effective internal audit activity.

This includes reviewing and advising on:

1. The integrity, quality and transparency of the City’s financial, management and operational information.
2. The effectiveness of the financial and management reporting processes.
3. The effectiveness of risk management and control processes and practices.
4. The performance of the Internal Audit activity and assessing the effectiveness of the External Audit function.
5. Ethical business conduct and compliance with the City of Vaughan’s Employee Code of Conduct.

Term

Audit Committee members shall be appointed by Council, based on the Term of Council, or until successors are appointed. If an Audit Committee member ceases to be a member before the expiration of their term, Council will appoint another eligible person for the remainder of the term.

Membership

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. Audit Committee members are expected to gain familiarity with the City’s Audit Committee Charter, Internal Audit Policy and the City’s Procedure By-law.

Members will be expected to contribute their expertise actively during meetings of the Audit Committee.

The Audit Committee will elect from its members a Chair and Vice-Chair. Only Members of Council are eligible to hold these positions. The election will be held at the Audit Committee’s first meeting of a new term. In the event that neither the Chair or Vice-Chair is in attendance at a meeting, the members in attendance shall elect a Chair for that meeting.

Meeting Procedures

The proceedings of the Audit Committee are to be governed by the City’s Procedure By-law.

Agendas and Reporting

Agendas shall be prepared by the Office of the City Clerk in consultation with the Director of Internal Audit and the Committee Chair. Agendas shall be posted on the City’s website one week prior to the scheduled date of the meeting or as soon as practicable.

Attachment 2

After each Audit Committee meeting, the City Clerk shall submit a report in the City's committee report format to the Committee of the Whole.

Meetings

The Audit Committee will be scheduled to meet a minimum of five times each year in order to provide Council with timely information. Audit Committee meetings will be scheduled in January, April, June, September and November. Additional Audit Committee meetings may be held at the recommendation of the Director of Internal Audit, the External Auditor, or by call of the Audit Committee Chairperson or the City Clerk.

Meetings are to be open to the public in accordance with the *Municipal Act, 2001*.

For the consideration of confidential matters, the Audit Committee has the authority under the City's Procedure By-Law and the *Municipal Act, 2001* to go into closed session.

Notice of Meetings

Meetings will be noted on the Schedule of Meetings calendar posted on the City's website.

Quorum

The majority of members, including the Chair, shall constitute quorum.

Staff Resources

The role of staff is to act as a resource to the Audit Committee, but not to be members of the committee, or to deliberate or draft the findings of the committee. The following staff and/or their delegate will provide advisory and technical support specific to the mandate and objectives of the committee:

- Director of Internal Audit
- External Auditor
- City Manager
- DCM Corporate Services, Treasurer and CFO
- DCM, Administrative Services & City Solicitor

The Office of the City Clerk will be responsible for agenda production and distribution, the giving of procedural advice, and the recording of the proceedings of the committee.

The attendance of additional staff members at Committee meetings shall be at the discretion of the Audit Committee chair.

Authority

The Audit Committee acts as a forum for communication among Council, Management, Internal Audit and the External Auditors. The Audit Committee, within the scope of its roles and responsibilities, is authorized to:

- Approve investigations into any matters it deems necessary.
- Obtain any information it needs from Internal Audit, the External Auditor and Management.
- Request the attendance of any employee or external party at Audit Committee meetings.
- Discuss any matters with the Director, Internal Audit.

Amendment / Expansion of Terms of Reference

Only Council can initiate any amendment and/or expansion of the Audit Committee Terms of Reference.

The Terms of Reference for the Audit Committee was established by Council's adoption of Item X of Committee of the Whole Report No. X on Date.