

Title

1. The title of this policy is the Audit Committee Policy 25-05.

Policy Purpose

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

Audit Committee Purpose

4. The Audit Committee objectives are:
 - 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

5. The Committee will consist of all of Council and one member of the public who is a resident of the Municipality. The public member must not be a member of Council, employed by the Municipality, nor related to any member of Council or municipal staff.
6. The public Committee member shall possess or acquire accounting, auditing, financial reporting and/or finance expertise. In instances in which qualified residents cannot be found, other qualified applicants will be considered.
7. Staff will provide support to the Committee but will not be voting members. Staff will be assigned by the Chief Administrative Officer.
8. Council shall appoint the public Committee member. The term of all citizen appointments shall be from the date of the appointment until the end of the calendar year in which a municipal general election is held as per the *Policy on Citizen Appointments*. The Deputy Mayor shall act as chairperson.

9. Committee members will be compensated for travel expenses incurred relating to the Committee. Citizen appointments will be provided an honorarium according to the *Policy on Citizen Appointments*.
10. Where an audit committee does not include the citizen appointment discussed above, the audit committee shall continue to meet and perform its duties and may exercise its power; and the municipality shall continue to advertise to recruit an independent person who meets the requirements set out in this policy every six months until the requirement is met.
11. Each audit committee member must complete training as prescribed by the Department of Municipal Affairs.

Meeting Requirements

12. The audit committee shall meet at least twice each year, but it will convene whenever circumstances demand such a meeting.
13. There may, on occasion, be a need for the auditor to meet with the audit committee, without any appointed officials present. This would be accommodated through a request by either the committee or the auditor to one another.

External Auditing

14. All audits and special purpose engagements performed by external auditors must be pursuant to an established terms of reference or engagement letter.

Responsibilities and Functions

15. The Responsibilities and functions of the Committee shall be as set out in Section 5(3)(e) of FRAM, as amended from time to time.

Effective Date

16. This Policy is in effect upon adoption and repeals all previous versions of the Audit Committee Terms of Reference Policy.

Clerks Annotation for Official Policy Book

Date of Notice to Council of Intent to Consider the Policy (7 days minimum): December 10th, 2025

Date of Passage of Amended Policy: December 17th, 2025

I hereby certify that this Audit Committee Policy 25-05 was adopted as indicated above.

Deputy Clerk: *Amanda Kinnear*

Date: December 18th, 2025