



COUNCIL

AUDIT COMMITTEE

**Internal
Auditor**

Administration

**External
Auditor**



EXTERNAL AUDITOR – KPMG

Partner – Ian Jeffries

- Mandated by the *Municipal Act*
- Audits consolidated Financial Statements
- Presents interim reports and audit results to Audit Committee
- Provides a “Management Report”
 - Identifies any weakness in Internal Controls
 - Makes observations on performance improvement opportunities
 - Identifies areas potential risk that may affect future financial performance



EXTERNAL AUDIT – The role of the Audit Committee

- Recommend the appointment of the Auditor on the advice of the Administration;
- Determine the reasonableness and adequacy of the audit fee;
- Review the scope, principles and materiality limits of the annual audits;
- Review the auditors' report and audited financial statements
- **Satisfy itself** that the financial statements present fairly, the financial position and results of operations;
- **Satisfy itself** that there are no unresolved issues between the Administration and the auditors;
- to review the auditors' management letters, together with the implementation plans;
- Make recommendations to Council on these matters



INTERNAL AUDITOR – PricewaterhouseCoopers (PwC) *Partner – Chirag Shah*

- Internal Audit outsourced in 2010
- Prepare a 3-year, risk-based audit plan
- Independent and objective review of all key functional service areas, including:
 - Review systems of Internal Control
 - Value-for-money reviews
 - Special reviews as requested by Audit Committee
 - Makes observations on performance improvement opportunities, risk mitigation and value-for money recommendations
 - Provide on-going status updates with respect to recommendations



INTERNAL AUDIT – The role of the Audit Committee

- Appoint the Internal Auditor
- Approve the Audit fees
- Annually review and approve the work plan from the outsourced internal auditor, including providing input for the risk-based audit plan;
- Receive reports of internal auditors and discuss findings and recommendations with Administration; and,
- Review and approve special assignments from time to time
- Follow-up on status of recommendations
- Report recommendations to Council