



MANDATE

The primary function of the Audit Committee (the “Committee”) is to assist Council in fulfilling its oversight responsibilities, outlined in the MGA, related to the quality and integrity of financial reporting. Consistent with this function, the Audit Committee assures fair presentation of the financial position and results of operations of the Municipality of East Hants (the Municipality) in accordance with Canadian generally accepted accounting principles, and ensures that appropriate systems and controls are maintained for the proper recording of transactions and protection of assets.

AUTHORITY

The Committee is empowered to make such enquiry, investigation, and require such information and explanation from management as it considers reasonably necessary; and to require management to inform the Committee and the auditor of any material misstatement or error in the financial statements following discovery of such situation. The Committee has authority to engage outside advisors where appropriate.

MEMBERSHIP

The Audit Committee shall consist of:

- Warden
- Chairperson of Corporate & Residential Services Committee
- Two (2) other Councillors
- A public member (to be appointed by Council for a two-year term).

PUBLIC MEMBER SELECTION PROCESS

To ensure openness, accountability, and transparency, a public advertisement will be issued at the end of every term to consider public member positions.

Public members representing an organization should include a letter of support from that organization.

QUALIFICATIONS

In the discharge of their duties under the Committee's mandate, each member of the Committee shall be obliged to exercise all the care and diligence that a Councillor would be expected to exercise in comparable circumstances where they are dealing with the affairs of the Municipality.

All members of the Committee must be financially literate, apart from which the standard of care and diligence imposed on the Committee is no more onerous or extensive than that to which all Council members are subject.

In the discharge of their duties the members of the Committee may rely in good faith upon the report and findings of any expert engaged by the committee to report upon the matter under consideration.

MEETINGS

Meetings may be convened at the request of any member of the Committee, at the request of the Municipality appointed external auditor, or at the request of the CAO or management, but in no circumstances less than twice each year. The required minimum twice a year meeting shall occur: (1) prior to the year-end audit, in order for the Committee to review and approve the audit scope; and (2) after the audit is complete, for the Committee to review the draft financial statements, audit findings, and the auditor's performance for the current audit.

The Municipality's external auditor shall receive notice of all meetings of the Committee and is entitled to appear and be heard thereat. Any member of the Committee may require the attendance of the external auditor at any meeting of the Committee. The Committee shall meet with the external auditor at least twice each year.

A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee in a timely fashion.

All meetings are open to the public as per the Municipal Government Act.

In-Camera Meetings

Each Committee meeting agenda, where the external auditor is present, will include a time for Committee members to meet with the External Auditor in-camera with no staff present.

The Committee may hold in-camera meetings to discuss matters relevant to the Committee's mandate when the Committee deems in-camera meetings appropriate, or at the request of the external auditor. Such in-camera meetings may be attended by the external auditor and/or management as determined by the Committee from time to time.

The Committee may hold in-camera meetings to discuss matters relating to: a) setting a price for professional services; b) personnel matters; c) labor relations; d) contract negotiations; e) litigation or potential litigation; g) legal advice eligible for solicitor-client privilege; and h) public security.

No decision shall be made at in-camera meeting except a decision concerning procedural matters or to give direction to staff of, or solicitors for, the Committee.

A record which is open to the public shall be made, noting the fact that the Committee met in-camera, the type of matter that was discussed, the date, but no other information.

Any Committee member or employee of the Municipality who discloses any report submitted to, or details of matters discussed at, an in-camera meeting of the Committee, as a result of which the Municipality loses financially or the Committee or employee gains financially, is liable in damages to the Municipality for the amount of the loss or gain.

ATTENDANCE

A Committee member, without leave of the Committee, is absent from three consecutive meetings of the Committee, ceases to be qualified to serve.

CHAIR AND VICE CHAIR

The Chairperson of the Corporate & Residential Services Committee shall be the Chairperson of the Audit Committee. In the absence of the Chair of the Committee, the members shall appoint one of the members to act as Chair of the meeting.

QUORUM

A quorum consists of the majority of the voting members of the Committee.

CONFLICTS OF INTEREST

The Committee members are expected to operate in compliance with Council’s Code of Conduct, and the policies, laws and regulations governing the Municipality of East Hants. Members are committed to making decisions impartially and in the best interest of the municipality and recognize the importance of fully observing the requirements of the Municipal Conflict of Interest Act, R.S.N.S. 1989, c. 299 with regard to the disclosure and avoidance of conflicts of interest.

ROLES AND RESPONSIBILITIES OF COMMITTEE

- a) Reviewing with the external auditor the annual consolidated financial statements of the Municipality and the East Hants Water Utility.
- b) Reviewing the external auditor report, and discussing the financial statements with management and with the external auditor.
- c) Reviewing the auditor management letter (where applicable) and management’s response thereto, as well as the status of any significant issues reported previously.
- d) Recommending the annual financial statements to Council for approval.
- e) Recommending annually the appointment of the Municipality’s auditor.
- f) Reviewing and approving the overall scope and approach of the auditor annual audit plan.
- g) Reviewing and making recommendations as appropriate on such other matters as may be determined by the Council to be the duties of the Committee.
- h) The Committee is accountable to Council and these Terms of Reference are subject to Council approval.

ROLE AND RESPONSIBILITY OF EAST HANTS STAFF

Staff support will be provided by the Director of Finance and the Manager of Finance, and/or their designate.

RELATED DOCUMENTATION

Document Name	Document ID	Document Type
Municipal Government Act		Legislation
Financial Reporting and Accounting Manual (FRAM)		Legislation
Elected Officials Code of Conduct		Council Policy

VERSION LOG

Version Number	Amendment Description	Editor	Owner	Approver	Approval Date
1	Formalization of the Terms of Reference	Manager of Finance	Director of Finance	Council	July 28, 2021
2	Amend the number of Councillors from 1 to 2	Manager of Finance	Director of Finance	Council	July 27, 2022

CERTIFICATION

I, Kim Ramsay, Municipal Clerk for the Municipality of East Hants, hereby certify that these Terms of Reference were duly approved.

Kim Ramsay, CPA, CMA
CAO/Municipal Clerk