2015 / 2016 Audit Committee Self Assessment

Effectiveness	Audit Committee Evaluation	Bylaw 48M2012	Related Reports and Activities	Evaluation Comments
RISK MANAGEMENT AND INTERNAL CONTROL				
1. The Audit Committee understands and receives relevant and timely information related to the City's integrated risk management, including critical business continuity risks, disaster recovery, financial liquidity, debt financing, strategy execution and Administration's internal controls over key business processes and fraud.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(f) Sched A - 1 (h) Sched A - 5 (a) Sched A – 5 (b)		
2. The Audit Committee understands the processes used by management, External Auditor, and City Auditor to identify and respond to risks related to critical third-party interdependencies (suppliers, customers, outsourced operations, counterparties) that affect The City's operations.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f) Sched A - 1 (h) Sched A - 1 (i)		
3. The Audit Committee questions management and the External Auditor about how they assess the risk of material misstatement, what the major risk areas are and how they respond to identified risks.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f) Sched A - 1 (g) Sched A - 1 (h)		
4. The Audit Committee reviews and understands the processes used by management, External Auditor, and City Auditor to identify and respond to risks to related entities and their effect on The City.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(i) Sched A - 1 (h)		
5. The Audit Committee understands the financial risk exposures and the procedures to monitor and control such exposures in order to assist the committee to assess the completeness, adequacy and appropriateness of financial risk disclosure in the Financial Statement Discussion & Analysis and in the financial statements.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f) Sched A - 1 (h)		
6. The Audit Committee understands the environmental, occupational health and safety and other risks to asset value and the mitigations that are in place.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(f) Sched A - 1 (f) Sched A - 1 (h)		
7. The Audit Committee reviews foreign currency, interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(f) Sched A - 1 (f) Sched A - 1 (h)		
8. The Audit Committee reviews insurance programs in place and	Not Met / Met / Exceeded	Section 4(1)(f)		

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evaluates their appropriateness.	1 2 3 4 5 6 7 8 9 10	Sched A - 1 (f) Sched A - 5 (c)		
9. The Audit Committee reviews fraud prevention programs, and is satisfied that they are effectively monitored.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(g) Sched A - 1 (g) Sched A -6(b)(ii)		
10. The Audit Committee reviews business practices followed by senior management to assess compliance with appropriate Corporate Policies and the code of Business Conduct and to address deficiencies is such compliance.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(g) Sched A - 1 (g) Sched A - 6(b)(i)		
11. The Audit Committee reviews relevant and timely information related to material legal matters that impact the City.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(f) Section 4(1)(g) Sched A - 1 (g) Sched A - 5 (c)		
12. All significant substantiated complaints through the City's Whistleblower program, and other internal programs are reported to the Audit Committee in-camera by the City Auditor.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(h) Sched A - 1 (j) Sched A - 7		
13. The Audit Committee receives enough information to review, understand, and assess The City's system of internal controls, including information technology controls.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(g) Sched A - 1 (g) Sched A - 4 (a) Sched A - 4 (b)		

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14. The Audit Committee is satisfied that management exhibits the proper "tone at the top" and is committed to promoting high quality financial reporting and strong internal controls.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Section 4(1)(g) Sched A - 1 (f) Sched A - 1 (g) Sched A - 4 (a)		
FINANCIAL REPORTING AND COMPLIANCE				
1. The Audit Committee has knowledge of the key financial issues, including the application of critical accounting policies and disclosures, use of complex financial instruments, areas of judgement or high subjectivity, unusual transactions, and compliance with regulatory and internal policies.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f) Sched A - 1 (g)		
2. The Audit Committee reviews the annual report, financial statements, and MD&A to confirm completeness and consistency with their knowledge, including liquidity, unusual transactions and changes in accounting polices.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (a) Sched A - 2 (b) Sched A - 2 (f)		
3. The Audit Committee understands the process used by management to identify relative authorities and considers the transparency of related authority disclosure.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f)		
4. The Audit Committee has knowledge of all significant transactions, including acquisitions, dispositions, and special purpose entities, and understands how they were accounted for.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f)		
5. The Audit Committee reviews all unrecorded audit adjustments with management and the External Auditor to understand why they were not recorded.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f)		

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6. The Audit Committee initiates discussions with the External Auditor about pressures on management that may have an impact on the quality of financial reporting, such as operating results, financial reserves and performance measures.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Sched A - 1 (f) Sched B - 1 (g)		
7. The Audit Committee Chairman meets regularly with management, External Auditor and City Auditor to encourage open and frank dialogue and to discuss potential issues and conflicts. The Chairman reports to Audit Committee the occurrence of such meetings.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(e) Sched A - 1 (d) Sched A - 2 (c) Sched B - 1 (g) Sched C - 1 (k)		
8. The Audit Committee reviews procedures in place for public disclosure of financial statements, and periodically assesses the adequacy of those procedures.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(g) Sched A - 1 (g)		
9. The Audit Committee reviews the Administration representation letter. The Committee inquires as to practices and procedures adopted to permit management's assurance on underlying controls.	Yes / No	Section 4(1)(g) Sched A - 1 (g)		
CORPORATE GOVERNANCE				
1. The Audit Committee Bylaw sets out its mandate and responsibilities. In consultation with management and External Auditor, an annual Audit Committee work plan is developed to ensure all responsibilities as set out in the Bylaw are adequately met. The Audit Committee performs an evaluation of its performance in relation to the mandate annually*. The Audit Committee reviews and assesses their terms of reference every three years.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 17 Sched A - 1 (b) Sched A - 1 (k) Sched A - 1 (m) *Best practice		
2. The Audit Committee has an effective onboarding program for all members, that reviews at minimum the requirements of committee and their responsibilities.*	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Sched A - 8 *Council Policy CP2016-03 Governance & Appointments of BCC's		
3. The Audit Committee includes at least one member who is designated as financially literate and is experienced in financial reporting and related disclosures.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Sched A - 8		
4. The Audit Committee participates in continuous education in the	Not Met / Met / Exceeded	Sched A - 9		

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understanding of relevant accounting, reporting and risk management areas.	1 2 3 4 5 6 7 8 9 10			
5. The Audit Committee ensures a direct and independent line of communication is established with a) External Auditor, b) Administration, c) City Auditor and d) City Solicitor to allow for candid discussions (In Camera). Such discussions to take place with or without a), b) or c) in attendance. At Chair's discretion, all members of Committee may have discussions with any of these functions.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(e) Sched A - 1 (d) Sched A - 2 (c) Sched A - 2 (e) Sched B - 1 (g) Sched C – 1 (i) Sched C - 1 (k)		
6. The Audit Committee review and approves the City Auditor's overall plan and City Auditor's budget.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(d) Sched C - 1 (e)		
7. The Audit Committee assesses the performance of the City Auditor on a yearly basis and forwards to Council for information.	Yes / No	Section 4(1)(d) Sched A - 1 (e) Sched C - 1 (d)		
8. The Audit Committee reviews and pre-approves the External Auditor's plan (audit and non-audit) and annual fees for The City or its subsidiary entities. In performing such a review, the committee ensures that none of the services to be provided would breach the External Auditor's independence.	Yes / No	Section 4(1)(a) Section 4(1)(d) Sched A - 1 (e) Sched B - 1 (b) Sched B - 1 (c) Sched B - 1 (d)		
9. The Audit Committee assesses the performance of the External Auditor through independent benchmarking function.	Yes / No	Section 4(1)(d) Sched A - 1(e) Sched B - 1 (h)		
10. The Audit Committee appropriately reviews the audit reports, management letters, Administration's responses and progress towards remediation of the identified issues	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Sched A - 1 (e) Sched B - 1 (e) Sched B - 1 (f) Sched C - 1 (g) Sched C - 1 (j)		
11. The Audit Committee demonstrates competence by engaging in meaningful discussions, active participation, and addresses issues proactively.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(d) Sched A - 2 (c)		
12. The Audit Committee (at their discretion) retains independent counsel, accountants or advisors to assist in investigation of matters	Yes / No	Section 4(1)(j) Sched A - 1 (c)		

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within their scope.				
13. At least annually, prior to the External Auditor's engagement, the Audit Committee reviews and discusses with the External Auditor, the policies and procedures followed to ensure the maintenance of the External Auditor's independence, including rotation of partners.	Yes / No	Section 4(1)(d) Sched A - 1 d) Sched B - 1 c)		
14. The Audit Committee makes inquiries of management, City Auditor and External Auditor on the experience and sufficiency of their staff.	Yes / No	Section 4(1)(e) Sched A - 1 (e) Sched B - 1 (h)		
15. Audit Committee has sole authority to recommend hiring, dismissal and compensation of the External Auditor to Council. They reviews the terms of engagement of the External Auditor, including their qualifications, professional competence, experience and performance and recommend to Council the renewal of the contract each year. If required, the committee reviews management's plans for an orderly transition to a new External Auditor.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(a) Section 4(1)b) Section 4(1)(d) Section 4(1)(e) Sched A - 1 (e) Sched A - 2 Sched B - 1 (a) Sched B - 1 (b) Sched B - 1 (d) Sched B - 1 (h)		

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16. The Audit Committee is directly responsible for overseeing the work of the External Auditor, and is effective at resolving any disagreements, if any, between management and the External Auditor regarding financial reporting.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10	Section 4(1)(e) Sched A - 1 (d) Sched B - 1 (e) Sched B - 1 (h)		
17. The Audit Committee is satisfied that performance of its members is sufficient to discharge their responsibilities, including attendance and participation.	Not Met / Met / Exceeded 1 2 3 4 5 6 7 8 9 10			