

# Background

Section 276(1)(a) of the Municipal Government Act specifies that the financial statements be prepared in accordance with “Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada, as amended from time to time.”

Further to this, Section 276(3) of the Municipal Government Act provides:

“Each municipality must make its financial statements, or a summary of them, and the auditor’s report of the financial statements available to the public in the manner the Council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared.”

## Previous Council Direction

The Audit Committee’s Terms of Reference (included in Bylaw 33M2020) as approved by Audit Committee and Council, state that the Audit Committee, with respect to The City’s Financial Disclosure and Accounting Practices:

- a) Reviews and oversees the integrity of the annual financial statements and recommends their approval to Council;
- b) Reviews and discusses The City’s compliance with financial reporting, policies and procedures with Administration and the External Auditor;
- c) Engages Administration and the External Auditor in candid discussions regarding issues that may alter judgment or affect the quality of the reporting process and search for insight into the results;
- d) In consultation with the Chief Financial Officer and External Auditor, review and discuss significant new accounting standards and financial reporting developments to understand any material impact on financial results. A detailed analysis, prepared by Administration, on the implications of any changes, as well as the progress made in the adoption of new accounting standards, may be requested; and
- e) Maintains open lines of communication with the External Auditor and Administration.
- f) Must meet with the Chief Financial Officer, in the absence of the External Auditor, at least quarterly.