



# Town of Newmarket

## Agenda

### Audit Committee

Date: Monday, January 27, 2020  
Time: 2:00 PM  
Location: Mulock Room  
Municipal Offices  
395 Mulock Drive  
Newmarket, ON L3Y 4X7

Pages

1. Additions and Corrections to the Agenda

2. Declarations of Pecuniary Interest

3. Approval of Minutes

3.1 Audit Committee Meeting Minutes of October 7, 2019

1

4. Items

4.1 Presentation by Internal Auditor: Overview of Internal Audit Process and 2020 Workplan

4.2 Management Letter Follow-Up

4.3 Items Deferred by the Previous Term of the Audit Committee

4.3.1 Report to the Audit Committee by the External Auditor

**Note:** At the June 18, 2019 meeting, the Audit Committee passed the following motion:

1. That Deloitte be requested to report back to the Audit Committee on any extra time spent on the audit.

4.3.2 Audit Committee Mandate

5

**Note:** At the June 18, 2019 meeting, the Audit Committee passed the following motion:

1. That the committee mandate be reviewed by the

new Audit Committee members.

5. **New Business**
6. **Closed Session (if required)**
7. **Adjournment**



# Town of Newmarket

## Minutes

### Audit Committee

Date: Monday, October 7, 2019  
 Time: 1:00 PM  
 Location: Cane Room  
 Municipal Offices  
 395 Mulock Drive  
 Newmarket, ON L3Y 4X7

Members Present: Michael Tambosso, Chair  
 Deputy Mayor & Regional Councillor Vegh, Vice-Chair  
 Councillor Bisanz  
 Rebecca Mathewson  
 Councillor Morrison  
 Tom Mungham

Staff Present: J. Sharma, Chief Administrative Officer  
 E. Armchuk, Commissioner of Corporate Services  
 M. Mayes, Director of Financial Services/Treasurer  
 D. Schellenberg, Manager of Finance & Accounting  
 T. Kyle, Chief Executive Officer, Newmarket Public Library  
 A. Walkom, Legislative Coordinator  
 J. Grossi, Legislative Coordinator

#### 1. Additions and Corrections to the Agenda

None.

#### 2. Declarations of Pecuniary Interest

None.

#### 3. Presentations

##### 3.1 Orientation Session

The Legislative Coordinator provided an orientation presentation concerning Town By-laws, meeting procedures and the Code of Conduct.

#### **4. Approval of Minutes**

##### **4.1 Audit Committee Meeting Minutes of June 18, 2019**

Michael Tambosso requested the minutes be amended to reflect the addition to the agenda regarding the internal audit report, as well as the discussion regarding the posting of draft financial statements.

Moved by: Rebecca Mathewson

Seconded by: Councillor Bisanz

1. That the Audit Committee meeting minutes of June 18, 2019 be approved as amended.

**Carried**

##### **4.2 Audit Committee Meeting (Closed Session) Minutes of June 18, 2019**

Moved by: Councillor Bisanz

Seconded by: Tom Mungham

1. That the Audit Committee Meeting (Closed Session) Minutes of June 18, 2019 be approved.

**Carried**

#### **5. Items**

##### **5.1 Appointment of Chair and Vice-Chair**

Moved by: Councillor Bisanz

Seconded by: Rebecca Mathewson

1. That Michael Tambosso be appointed as Chair of the Audit Committee.

**Carried**

Moved by: Councillor Bisanz

Seconded by: Councillor Morrison

2. That Deputy Mayor & Regional Councillor Vegh be appointed as Vice-Chair of the Audit Committee.

**Carried**

## **5.2 2019 Audit Service Plan**

Pina Colavecchia of Deloitte Canada presented the 2019 Audit service plan to the Committee. The presentation provided an overview of the audit scope and the terms of engagement. The presentation included an overview of significant audit risks, the audit approach, communication requirements, public sector accounting standards and asset retirement obligations. It was noted that while the audit included the Newmarket Public Library, the Audit Committee does not have a role regarding the Newmarket Public Library.

Moved by: Councillor Bisanz

Seconded by: Rebecca Mathewson

1. That the presentation by Pina Colavecchia regarding the 2019 Audit Service Plan be received.

**Carried**

## **6. New Business**

None.

## **7. Closed Session (if required)**

There was no requirement for a Closed Session.

## **8. Adjournment**

Moved by: Councillor Bisanz

Seconded by: Rebecca Mathewson

1. That the meeting be adjourned at 1:59 PM.

**Carried**

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Michael Tambosso, Chair

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Date



# Town of Newmarket

## **TERMS OF REFERENCE**

<b>NAME:</b>	Audit Committee
<b>REPORTS TO:</b>	Council
<b>STATUS:</b>	Advisory
<b>ESTABLISHED:</b>	June 19, 1995

### **Terms of Reference Revised by Council on May 6, 2019**

#### **ENABLING LEGISLATION/AUTHORIZING BY-LAW**

The Audit Committee is authorized under the *Municipal Act, 2001*, and was established by Council resolution on June 19, 1995.

The Audit Committee is required to adhere to the provisions outlined in the Town's Procedure By-Law , as amended from time to time, Committee Public Appointment Policy, and Committee Administration Policy.

#### **MANDATE**

The Audit Committee shall assist the Council in maintaining the financial integrity of the municipality.

The Committee will be responsible for the following:

- To provide advice and recommendations to Council with respect to the financial control framework including financial reporting, accounting policies, information systems integrity, approval processes and the safeguard of assets.
- Reviewing and making recommendations on external auditor's Request For Proposal scope documents, subject to the following conditions:
  - The recommendations must come from the committee collectively and not from individual members; and,
  - Committee members must sign a confidentiality agreement with acknowledges the importance of strict confidentiality regarding the scope of a request for proposal document prior to its release; and,
  - Committee members must sign a declaration confirming they do not have a conflict of interest related to the matter, including specifically that no committee member participating in providing recommendations has a connection to any potential proponent.
- To provide advice and recommendations to Council with respect to the scope of the audit
- To review and provide recommendations to Council regarding the annual report and management letter of the External Auditor.

- To make recommendations with respect to the work plan of the Internal Auditor and to provide comment and advice with respect to the recommendations of the Internal Auditor on issues of internal financial control.
- To provide advice and recommendations to Council with respect to any special project or issue as requested by Council.
- To meet with internal auditors at Audit Committee meetings to review reports of a financial nature.

### **Deliverables**

The Committee will accomplish its mandate by:

- Recommending approval of the annual financial statements.
- Reviewing the newly issued external auditors' management letter with Senior Management.
- Reviewing and approving the scope of the external audit.
- Following up with senior management on disposition of the previous year's external auditors' management letter points.

### **Strategic Plan Linkages**

The mandate meets the following Corporate Strategic Goals:

- *Well-equipped and managed:* By focusing on Fiscal Responsibility, Leadership excellence and leading edge management, efficient management of capital assets and municipal services to meet existing and future operational needs.

The mandate meets the following Council Strategic Priorities:

- Long-term Financial Sustainability: Maintaining long-term financial sustainability while ensuring a thriving community.

### **COMMITTEE COMPOSITION AND STAFF RESOURCES**

The Audit Committee will be composed of:

- Three (3) residents
- Three (3) Members of Council

The Audit Committee shall be supported by:

- Chief Administrative Officer
- Chief Executive Officer of the Newmarket Library
- Commissioner of Corporate Services



- Director of Financial Services/Treasurer

### **Quorum**

A quorum will be the attendance of three (3) members at a Committee meeting.

### **Qualifications**

Consideration shall be given to inclusion of the following qualifications during the appointment process:

- Persons with knowledge of accounting policies
- Persons with knowledge of risk management
- Persons with knowledge of financial auditing

### **FREQUENCY OF MEETINGS**

Three (3) times annually (or as required)

### **BUDGET CONSIDERATION**

The fiscal year of the Committee shall be from January 1 to December 31. The Committee will work with the assigned staff resource to submit a budget request that reflects their upcoming year's operating and capital needs, in keeping with corporate budget directions and timelines.

### **WORK PLAN**

A report or presentation summarizing the Committee's accomplishments shall be provided to Council in the fourth quarter annually.

### **REMUNERATION**

None.

### **TERM OF OFFICE**

A Member's term on the Committee shall be concurrent with the Term of Council, unless otherwise indicated in the Committee's Mandate, or until a successor is appointed.

### **COMMITTEE REVIEW/SUNSET DATE**

Every four years to coincide with the Term of Council or when a change to legislation impacts the obligations and responsibilities of the Committee.