
CITY OF KELOWNA

MEMORANDUM

Date: June 04, 2009
File No.: 0530-01
To: City Manager
From: City Clerk
Subject: Audit Committee Terms of Reference
Report Prepared by: Deputy City Clerk

RECOMMENDATION:

THAT Council receive for information the report of the City Clerk, dated June 04, 2009;

AND THAT Council endorse the revised Terms of Reference for the Audit Committee, attached to the Report of the City Clerk dated June 04, 2009.

BACKGROUND:

The Audit Committee was formed to review and critique the annual financial statements and operating results of the City of Kelowna before they are approved by Council. The Committee reinforces the principle that the administrative function of the City is accountable to the legislative arm of the City, and in turn the Legislative arm is accountable to the taxpayers of Kelowna.

With the dissolution of the Okanagan Mainline Municipal Labour Relations Association (OMMLRA), there was a need for an internal committee of Council to provide oversight to the collective bargaining process. The scope of work for the Audit committee has been expanded to provide this oversight, as well as to include the review of the annual management exempt policy line, and coordinate the City Manager's annual review and executive search in the event of a vacancy.

LEGAL/STATUTORY AUTHORITY:

Community Charter, Sec. 141

INTERNAL CIRCULATION TO:

General Manager, Corporate Sustainability
Director, Financial Services
Director, Human Resources

Considerations not applicable to this report:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

EXISTING POLICY:

FINANCIAL/BUDGETARY CONSIDERATIONS:



PERSONNEL IMPLICATIONS:
TECHNICAL REQUIREMENTS:
EXTERNAL AGENCY/PUBLIC COMMENTS:
COMMUNICATIONS CONSIDERATIONS:
ALTERNATE RECOMMENDATION:

Submitted by:


S. Fleming, City Clerk

Approved for Inclusion:  R. Mayne, Director Corporate Services

Cc: Director, Financial Services
Director, Human Resources
General Manager, Corporate Sustainability



CITY OF KELOWNA
TERMS OF REFERENCE
AUDIT COMMITTEE

INTRODUCTION

The Audit Committee was formed to review and critique the annual financial statements and operating results of the City of Kelowna before they are approved by Council. The Audit Committee reinforces the principle that the administrative function of the City is accountable to the legislative arm of the City, and in turn the legislative arm is accountable to the taxpayers of Kelowna.

With the dissolution of the Okanagan Mainline Municipal Labour Relations Association, there was a need for an internal committee of Council to provide oversight to of the collective bargaining process. The committee will provide this oversight, and also review the annual management exempt policy line and coordinate the City Manager's annual review and executive search in the event of a vacancy.

The Audit Committee is a **Standing Committee** of Council. (*Community Charter Sec. 141*)

OBJECTIVE

The objective of the Committee is to make recommendations to Council on the:

- Audit function of the City;
- the disposition of surplus funds;
- human resource issues related to Collective Agreement bargaining, Management and exempt staff policy line, and the City Manager's annual review and recruitment; and
- any other matter which may impact on the efficiency and effectiveness of City operations, or that will significantly impact City assets;

SCOPE OF WORK

To achieve this objective, the Audit Committee will undertake the following activities:

- Review the annual financial statements of the City.
- Select auditors and recommend the appointment of the auditors to Council.
- Recommend "value for money audits" in various operations of the City as deemed necessary and to review results of these audits.
- Have regard for potential impact on City assets, especially future liabilities that may be created by natural or other significant events.
- Provide oversight of the collective bargaining process for all City labour agreements.
- Provide input and feedback to the City Manager's recommendation of the annual management and exempt staff policy line.
- Coordinate the annual City Manager's Review process making recommendations to Council.
- Coordinate the executive search process in the event the City Manager's position becomes vacant.

MEMBERSHIP

Three members of Council.

APPOINTMENT AND TERM

Members shall be appointed by Council for a three year term, to run concurrent with Council term.

Members of the Committee shall serve without remuneration.

In the event of a vacancy occurring during a regular term of office, the vacancy may be filled for the remainder of that term upon resolution of Council.

The Committee may appoint sub-committees to deal with any special matters coming within the scope and jurisdiction of the Committee. Any sub-committee so created will report to the Committee.

CHAIR

The Chair of the Committee shall be appointed by Council resolution.

MEETING PROCEDURES

The Committee shall meet annually to review the financial statements, and review the performance of the City Manager. The Chairperson shall call meetings of the Committee as required.

Unless otherwise authorized by Division 3 of Part 4 of the *Community Charter* or City of Kelowna Council Procedure Bylaw No. 9200, all meetings will be held in open session and in a location accessible to the public.

Unless otherwise authorized by the Committee, the public shall only address the Committee when they are a scheduled delegation on the Committee meeting agenda.

A majority of the Committee shall represent a quorum.

The order of business is to be as set out in an agenda package to be provided to the committee members in advance of the meeting date. A copy of the agenda shall be forwarded electronically to the City Clerks Department at least three complete working days prior to the meeting date. Minutes of the meetings will be prepared by the staff liaison and then signed by the Committee Chair. Originals of the minutes will be forwarded to the City Clerk for safekeeping.

Committee members have a responsibility to make decisions based on the best interests of the City-at-large. Committee members must abide by the conflict of interest provisions of the *Community Charter* and City of Kelowna Council Procedure Bylaw No. 9200. Members who have a direct or indirect pecuniary interest in a matter under discussion are not permitted to participate in the discussion of the matter or to vote on a question in respect of the matter. They must declare their conflict and state the general nature of their conflict, and then leave the meeting or that part of the meeting where the matter is under discussion. The member's declaration must be recorded in the minutes, and the Committee member must not attempt in any way, whether before, during or after the meeting to influence the voting on any question in respect of the matter.

Voting:

- All members of a committee, including the chair, vote on every question unless they have declared a conflict and left the meeting
- Any member who does not indicate how they vote, or has left the meeting without declaring a conflict, is counted as having voted for the question
- If the votes are equal for and against, the question is defeated:

REPORTING TO COUNCIL

Recommendations of the Committee must be adopted by Committee motion prior to presentation to Council. The Committee will regularly report to Council regarding current activities and recommendations.

The Chairperson will report to Council on behalf of the Committee.

The Office of the City Clerk will ensure Committee Agendas and Minutes are available in the Council Reader File for reference by all Council members.

BUDGET

The routine operations and any special project initiatives of the Committee will be funded by allocations within the Financial Services Department budget.

STAFF SUPPORT

The Financial Services and the Human Resources Department will provide all staff support for the Committee. Typical support functions include the following:

- Organizing and preparing the agenda, in conjunction with the committee chair;
- distributing the agenda packages to committee members;
- forwarding the agenda to the Office of the City Clerk a minimum of 3days prior to the meeting for posting as a public notice;
- taking and preparing draft minutes;
- forwarding the final minutes to the Office of the City Clerk for filing as a public record;
- managing the files of the committee, as necessary;
- maintaining a list of outstanding issues for committee action;
- in conjunction with the Chair, drafting Committee reports to Council; and
- providing the position of City Staff on issues discussed by the Committee.

Endorsed by Council: December 18, 2000

Revised: August 26, 2002

Revised: