

Request for Decision

Title	Bylaw 1566/21 – Amendment to Council Committees Bylaw 1517/20 to Establish the Audit Selection Committee – Three Readings and Audit Policy Amendment
Proposed Motion	<ol style="list-style-type: none"> 1. That Council give first reading of Bylaw 1566/21. 2. That Council give second reading of Bylaw 1566/21. 3. That Council consider third reading of Bylaw 1566/21. 4. That Council give third reading of Bylaw 1566/21. 5. That Council approve the amended Audit Policy as presented.
Administrative Recommendation	<p>Administration recommends that Council give three readings of Bylaw 1566/21 to amend the Council Committees Bylaw to establish the Audit Selection Committee.</p> <p>Further, Administration recommends that Council amend the Audit Policy consistent with Administration's recommendations.</p>
Previous Council / Committee Direction	<p><u>November 24, 2020 Regular Council Meeting</u> Motion 519/20: That Council give third reading of Bylaw 1517/20.</p> <p><u>August 28, 2018 Regular Council Meeting</u> Motion 225/18: That Council approve the amended Audit Policy.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • In August 2018, Administration brought forward an amended Audit Policy to establish an Audit Selection Committee to consist of Administration and Council. The policy was completed then to ensure the process would be in place before the next request for proposal process. • In 2019, Council directed Administration to conduct a review of the Council Committees structure and to provide recommendations to Council on how the structure could be improved. • The 2019 Council Committees Review Report, which was presented to Council on November 12, 2019, identified that section 21 of the existing Council Committees Bylaw 1381/16 authorizes each Council Committee to prepare a Terms of Reference document for recommendation to Council. However, section 145 of the <i>Municipal Government Act</i> (MGA) requires that Council Committee terms of reference be established by bylaw, not by Council resolution.

- The intent of the Council Committees Bylaw is to provide alignment and consistency in the language of the existing Committee Terms of Reference (i.e., regarding term limits, eligibility, role of the Administrative Representative, etc.). The existing lack of consistency makes it administratively difficult to coordinate the recruitment of members and support to each Committee.
- To align with current audit processes, Administration is bringing forward an amendment to the Council Committee Bylaw 1517/20 to establish the Audit Selection Committee. Administration is also proposing amendments to the Audit Policy.
- An audit is an examination of the County's financial reporting by an independent qualified accounting firm. Auditors must follow auditing standards which are set out by CPA Canada. Once auditors have completed their work, they write a standardized audit report, explaining what they have done and giving an opinion drawn from their work. Throughout the year the auditors would work closely with Administration; however, the most important relationship in the audit is between Council and the auditor.
- Council's Responsibilities for the Audit:
 - Appoint Council Members to the audit Selection Committee (3 members of Council);
 - Appoint the External Auditor (four-year term);
 - Receive and approve the Auditor's annual report; and
 - Approve the annual audited Financial Statements.
- The goal of the Audit Selection Committee is to assist in the procurement process for the 4 year-term of the County's independent financial auditor, which includes:
 - Determining and providing evaluation criteria to procure the audit service;
 - Evaluate vendor proposals received; and
 - Provide a recommendation to Council on the successful proponent.
- Council being a part of the selection process is important as it strengthens auditor independence by adding to the impartiality of selection process. As well, Council's involvement initiates the direct relationship between the auditor and Council.

External Communication

- None.

Relevant Policy/Legislation/Practices:

- *Municipal Government Act (MGA)*, section 280 - Auditors
- MGA section 281 – Auditor's reports
- Bylaw 1517/20 – Council Committees Bylaw

Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Collaborative Governance –Transparent and action-oriented decision making based on sound rationale; clear and supportive governance processes.</p> <p>Operational Excellence – Sturgeon County provides quality, cost-effective service delivery.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Legislative Services and Financial Services will implement Council’s direction. <p><u>Financial:</u></p> <ul style="list-style-type: none"> None.
Alternatives Considered	<p>Council could amend Bylaw 1566/21 before passing it.</p> <p>Council could propose alternative amendments to the Audit Policy before approving it.</p>
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> The implications are dependent on the amendments proposed. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> The implications are dependent on the amendments proposed. <p><u>Financial:</u></p> <ul style="list-style-type: none"> None.
Follow up Action	<ol style="list-style-type: none"> Obtain Mayor and CAO signatures on the Bylaw (Legislative Services, February 2022). Post the Bylaw to the County’s website and circulate to Committee members (Legislative Services, February 2022).
Attachment(s)	<ol style="list-style-type: none"> Attachment 1: Bylaw 1566/21 – Amendment to Bylaw 1517/20 to Establish the Audit Selection Committee Attachment 2: Bylaw 1517/20 Council Committees Bylaw (Consolidated) Attachment 3: Audit Policy - Redlined Attachment 4: Audit Policy - Final
Report Reviewed by:	<p>Sabrina Duquette, Manager, Financial Services</p> <p>Jesse Sopko, Director, Corporate Services</p> <p>Andrew Hayes, Director, Financial, Assessment & Procurement Services</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honors its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>