

Council Policy

Policy Number: PLY_FIN_Audit_Policy_2017

Audit Policy

Date Approved by Council: August 28, 2018

Resolution No.:

Mayor:

County Commissioner:

1. Purpose

This policy is intended to safeguard the integrity and reliability of financial statements provided by Sturgeon County.

2. Revision History

Approval Date	Revision Number	Modification
June 27, 2017	1.0	New Document
August 28, 2018	1.1	Amendment
<u>Month, Day, Year</u>	<u>1.2</u>	<u>Amendment</u>

3. Persons/Areas Affected

Council

~~Corporate Support~~

~~County Commissioner's Office~~

~~Integrated Growth~~

~~Municipal Services~~

County Administration

County Commissioner

4. Definitions

The following definitions and interpretations apply to this policy:

Administration means the County Commissioner or his delegates.

Audit Services —means services provided by the External Auditor in connection with the audit of Sturgeon County's Financial Statements and its related statutory requirements.

Council means the Council of Sturgeon County.

County means the Municipality of Sturgeon County.

County Commissioner means the Chief Administrative Officer of the County.

Elected Official means the Mayor or a Councillor of the County.

External Auditor — ~~M~~means the aAuditor appointed by Council as required by the *Municipal Government Act*, RSA 2000, c.M-26.

~~i~~*Independence* — ~~M~~means freedom from conditions or interests that threaten or could reasonably be perceived to threaten the ability carry out audit responsibilities in an unbiased manner.

~~Audit Services~~ — means services provided by the External Auditor in connection with the audit of Sturgeon County's Financial Statements and its related statutory requirements.

Non-Audit Services – means any work provided to Sturgeon County by the External Auditor that do not fall within the scope of Audit Services.

5. Policy Statement

The County is committed to providing reliable, accurate and timely financial information in order to promote financial transparency and accountability to residents.

~~Sturgeon-The~~ County recognizes that by working cooperatively with external auditors the County is not only adhering to statutory requirements, but it helps maintain residents' confidence in financial information provided by the County.

6. Responsibilities

~~The responsibilities of Council includes~~shall:

- ~~Appoint Council members to the Audit Selection Committee as laid out in-in accordance with the Council Committee's Bylaw;~~
- Appoint~~ment~~ and R~~emove~~al (if required)~~of~~ the External Auditor;
- Approvea~~l of the~~ annual Audited Financial Statements; and
- Receiving and approving the Auditor's annual report.
- ~~Appoint up to two Council Members to the Audit Selection Committee at Council's discretion.~~

~~The responsibilities of Administration includes~~shall:

- ~~Providing Financial Statements and supporting documents/information to the external Auditors for external audit purposes;~~
- ~~Making recommendation to Council on the appointment of the External Auditor and the fees for the audit service~~Assist the Audit Selection Committee with the procurement of the External Auditor;

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~~— Providing Financial Statements and supporting documents/information to the external Auditors for external audit purposes; and~~

~~• and~~

- Approv~~ea~~l of the annual audit ~~servicework~~ plan as provided by the External Auditor.

The County Commissioner will be responsible for implementation and compliance of this policy.

7. Procedure

Sturgeon County will appoint the External Auditor for a four (4) year term by July 1st of ~~th~~ the second year following each general election.

The County will follow the Procurement ~~Directive Policy~~ when appointing the External Auditor for audit services.

~~The County will establish and Audit Selection Committee which consists of Administration as well as up to two Council member if appointed by Council.~~

When selecting the External Auditor, quality of the audit should not be impacted to obtain a short-term benefit of reduced audit costs.

The External Auditor must remain independent of Sturgeon County at all times and comply with applicable laws, rules and regulation in relation to auditor independence.

The External Auditor may not provide the Non-A~~a~~udit Services without the prior approval of ~~Senior~~ Leadership Team or Council, or the~~at~~ contravenes the standards of the P~~p~~rofession.

The External Auditor will provide an ~~work-audit service~~ plan to the Manager of Financial Services prior to the start of the external audit work.

~~Senior~~ Leadership Team will evaluate the performance and independency of the ~~e~~External ~~a~~Auditor on an annual basis and report any exception to Council.

8. Cross Reference

Summary of Fiscal Principles, Practices and Policies
Municipal Government Act, RSA 2000 c.M-26