

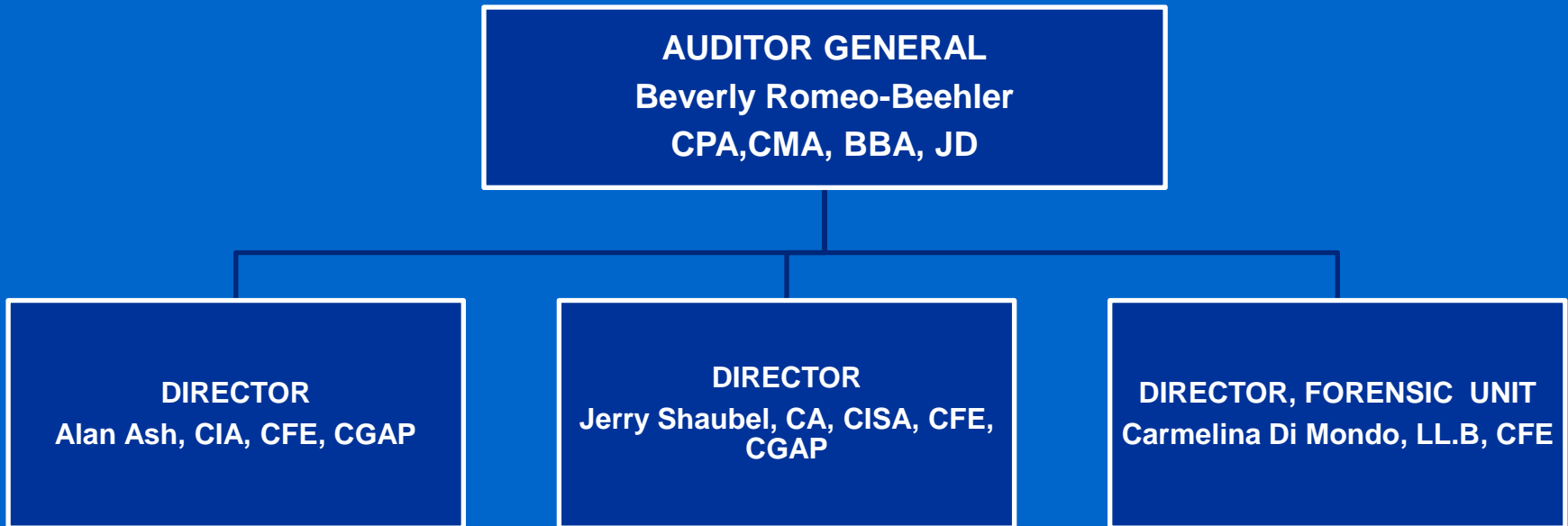


# **THE AUDIT COMMITTEE**

## **ROLES AND RESPONSIBILITIES**



# The Auditor General's Office





# Audit Framework at the City

- Auditor General
- City Auditor – PricewaterhouseCoopers
- Internal Audit Function –
  - City
  - TTC
  - Police
  - TCHC



# Role of Council as set out in the *City of Toronto Act, 2006:*

1. to represent the public and to consider the well-being and interests of the City
2. to develop and evaluate the policies and programs of the City
3. to determine which services the City provides
4. to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of Council
5. to ensure the accountability and transparency of the operations of the City, including the activities of the senior management of the City of Toronto
6. to maintain the financial integrity of the City and
7. to carry out the duties of Council under this or any other Act

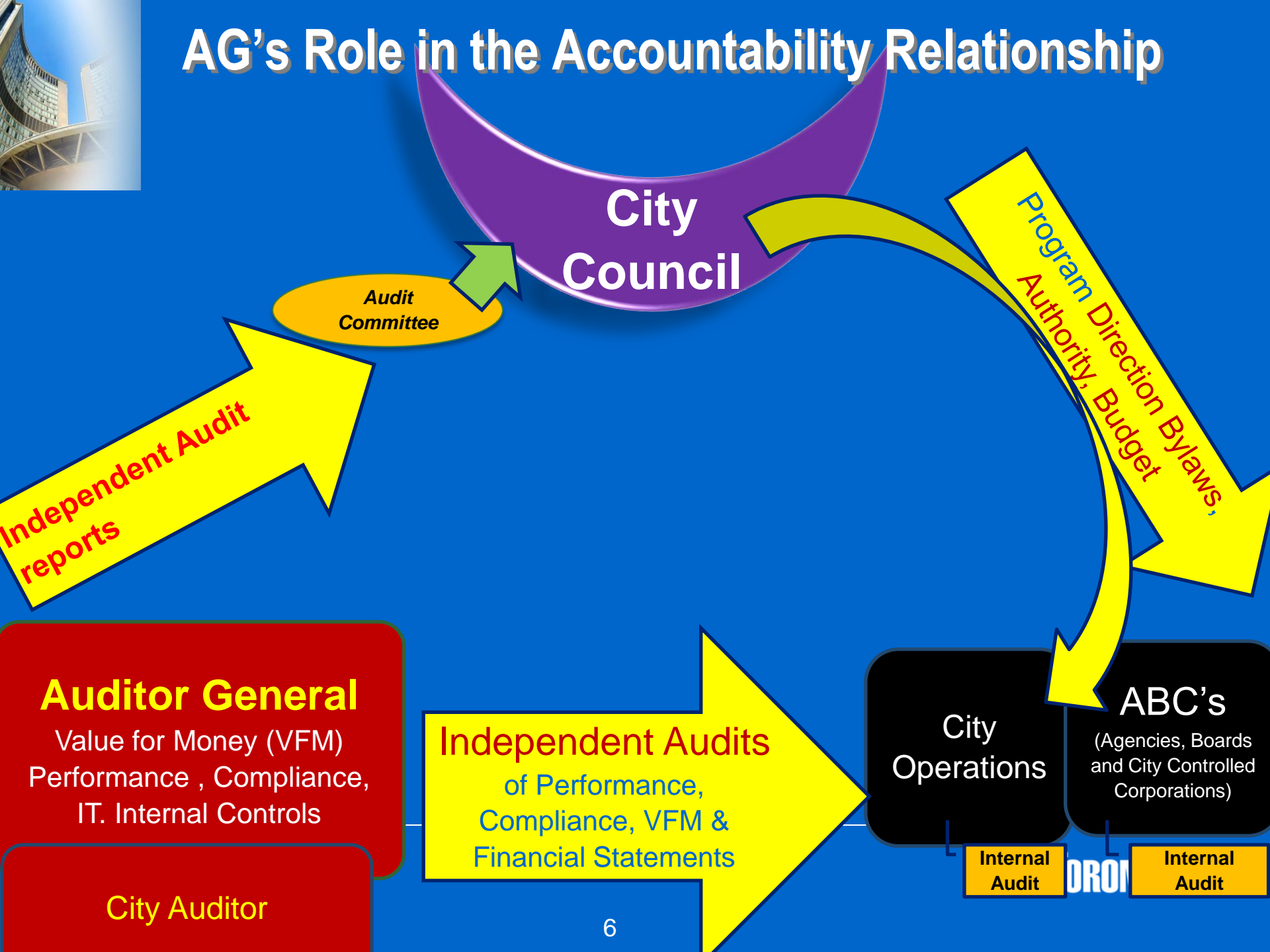


# AUDITOR GENERAL

Responsibilities: City of Toronto Act

“The Auditor General is responsible for **assisting City Council in holding itself and City administrators accountable** for the quality of stewardship over public funds and for achievement of value for money in City operations”

# AG's Role in the Accountability Relationship





# Audit Committee

Special Committee reporting directly to City Council

Meets generally 4 to 5 times a year

Meet at least once specifically to review:

- Financial statements of the City
- Financial statements of the **A&Cs**

# Audit Committees

- A cornerstone of the oversight process
- Vital role in assisting Council in fulfilling its governance role of overseeing and assessing overall performance of the City
  - Financial – oversees external auditor
  - Value for Money – safeguarding of assets
  - Internal controls
  - Risk management
  - Compliance
- Involved in City-wide operations including **agencies and corporations**





# Audit Committees

The Treadway Commission - The National Commission on Fraudulent Financial Reporting

*“The mere existence of an audit committee is not enough. The audit committee must be vigilant, informed and probing in fulfilling it’s oversight responsibilities”*



# Roles and Responsibilities of the City of Toronto Audit Committee

1. Recommending the **appointment of the City's external auditor**
2. Recommending the **appointment of an external auditor to conduct the annual audit of the Auditor General's Office**
3. Considering the **annual external audit of the financial statements** of the City and its Agencies and Corporations
4. Considering the **external audit of the Auditor General's Office**
5. Considering the **Auditor General's reports and audit plan**
6. Conducting an **annual review of the Auditor General's accomplishments**
7. **Making recommendations to Council on reports the Audit Committee considers.**