



REPORT TO THE EDMONTON POLICE COMMISSION

DATE: February 15, 2019

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SUBJECT: Policy Revision - #5.2.3 – Finance & Audit Committee Terms of Reference

RECOMMENDATION(S):

That the Commission approve revisions to policy # 5.2.3 – Finance & Audit Committee Terms of Reference.

COMMENT / DISCUSSION:

This policy was reviewed as part of the regular review cycle. CIA Botticelli has reviewed the proposed changes as well to ensure that both the audit and risk management functions are outlined correctly.

(Attach)

(REVISED #2)

Effective: Nov. 30,2007	Revised: January 22, 2009
Repealed:	October 22, 2009
	January 21, 2010
	May 20, 2010
	March 22, 2012
	September 17, 2015

5.2.3 FINANCE & AUDIT COMMITTEE TERMS OF REFERENCE

MANDATE:

1. The Finance & Audit Committee (the “committee”) is responsible to assist the Edmonton Police Commission (the “Commission”) in fulfilling its obligations and oversight responsibilities related to - Financial Planning and Reporting; the Audit Process; Internal Controls; and Risk Management. The Committee makes recommendations to the Commission for approval when required.
2. The Committee provides assistance to the Commission, pursuant to the *Police Act and City of Edmonton Bylaw 14040*, to determine estimates of funds required for policing and allocating funds that are provided to the Commission for the Edmonton Police Service (the “Service”) by Edmonton City Council.
3. The Committee assists the Commission in its oversight responsibilities relating to the integrity of the Commission’s and Service’s financial information, the financial reporting process, and the systems of the internal controls.
4. The Committee also provides oversight over the Audit Function and the overall risk environment for the Commission and the Service to ensure that the Commission’s and Service’s assets are protected and safeguarded.

DUTIES AND RESPONSIBILITIES OF THE FINANCE & AUDIT COMMITTEE:

Financial Matters:

1. Consult with the Chief of Police on the development of a business plan for the Service that specifies the level of police service and programs to be provided in the

City of Edmonton.

2. Consult with the Commission's Executive Director on the development of an annual business plan for the Commission that will support its joint roles of governance and oversight;
3. Oversee and guide the preparation of long range financial plans for the Service and the Commission for recommendation to the Commission;
4. Review and recommend operating and capital budget information provided by the Service to the Commission.
5. Review and recommend to the Commission the guiding principles for changes to approved budgets.
6. Review and recommend financial policies to the Commission;
7. Review and recommend signing authorities for expense approvals to the Commission;
8. Review strategic key performance indicators as they relate to financial performance;
9. Review and make recommendations with respect to relevant legislative changes affecting financial resources and significant issues as they relate to the Commission and the Service; and,
10. Participate, with the Service's Senior Management, on formal presentations to the City of Edmonton regarding operating or capital budget requirements for the service.

Internal Controls:

1. Reviews assurance reports that the Service and Commission prepare and have implemented appropriate systems of internal controls for:
 - a. Financial reporting;

- b. Compliance with Commission, Service and City Policies, Procedures (as applicable), Provincial Policing Standards and relevant laws and regulations;
- c. Financial, operational, or corporate risk exposure.

Audit Matters:

1. Engage and serve as the primary contact and report on reviews of all audit engagements.
2. Review and recommend to the Commission the Internal Audit Function's audit charter, annual audit plans, strategic plan, and audit resourcing.
3. Review findings of audit and/ or compliance reports, assess recommendations/ management's responses, and monitor management's actions to address audit recommendations.
4. Review the Audit Function's conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.
5. Meet "in camera" at least quarterly with the Audit Function to discuss audit outcomes and initiatives, emerging issues, and ensure that the Audit Function has appropriate resources and supports to fulfill its responsibilities outlined within the audit charter and the scope of the audit work. Review any difficulties encountered in the course of the audit functions work such as impairments to independence, restrictions to people, data, and/or information.

Risk Management:

1. Ensure that the Service has established an enterprise risk management process in which risk identification, risk awareness, risk tolerance and risk mitigation is determined, monitored and reported.
2. Review and assess the effectiveness of the Service's Integrated Risk Management processes and framework.

3. Review and recommend to the Commission, the Service's Corporate Risk Profile and subsequent risk mitigation plans.
4. Ensure the Service provides risks identified within the Service's corporate risk profile and other risk assessments and ensure that the audit plan considers those risks within the annual audit plan
5. Review significant risks affecting the Service's ability to fulfill its mandate and ensure that appropriate risk mitigation plans have been implemented.

References:

1. *Police Act, RSA 2000, c P-17*
2. *City of Edmonton Bylaw 14040, Edmonton Police Commission Bylaw*
3. *EPC Policy # 1.1.5 – Risk Management & Audit*