

CITY OF BELLEVILLE

TERMS OF REFERENCE

FINANCE COMMITTEE

Objective

The Finance Committee assists, advises and makes recommendations to Council regarding the fulfillment of Council's oversight responsibilities relative to City financial reporting, external audit requirements, asset management, internal controls, and compliance with financial regulations and policies.

Key responsibilities of the Committee include the administration of the external audit function, assisting in the development of key financial policies, review of budget documents prior to presentation to Council, review of periodic budget and other financial reports and participation in the review, coordination of the City's Asset Management function, implementation and compliance with regulatory reports and studies as necessary.

The Finance Committee provides a forum for communication between Council, the External Auditor and management, and facilitates an impartial, objective and independent review of financial management practices.

Committee Structure

The Finance Committee is comprised of the Mayor and three members of Council (one as an alternate) who are appointed by Council. The following staff members will also serve on the Committee:

- Chief Administrative Officer
- Director of Finance/Treasurer
- Manager of Finance/Deputy Treasurer
- Accounting Coordinator

The Coordinator of Revenue and Customer Service shall serve as Recording Secretary for the Committee. The term of office for the Finance Committee shall be concurrent with the term of Council.

Additional management support will be requested as required.

Meetings

At its first meeting of each term of office, the Finance Committee shall elect a Chairperson from among its members.

If the office of Chairperson becomes vacant for any reason during a term of office of the Finance Committee, the Finance Committee shall elect a new Chairperson from among its members.

The Finance Committee shall meet at least six times per year, with additional meetings at the call of the Chairperson in order to properly discharge its responsibilities as set out in this by-law.

An Agenda shall be prepared in the same format as determined by the City Clerk and utilized for regular City Council meetings, and distributed to all Members of Council for each regular Finance Committee meeting.

Minutes shall be prepared and distributed to all Members of Council for each Finance Committee meeting and shall be presented to the next succeeding meeting of the Finance Committee for confirmation.

Responsibilities

The Finance Committee is responsible for engaging in the following financial functions, making recommendations to Council as required:

Budget

- Determining the annual schedule, engagement strategy and guidelines for Capital Budget, 10 Year Capital Plan and Operating Budget preparation and presentation and forwarding recommendation to Council for approval
- Reviewing, as part of a Budget working group and outside of the regular Finance Committee schedule and function, and which would include Executive Management members, draft Operating and Capital Budget documents prior to preparation of the meeting agenda package for Council.
- Reviewing Capital Projects on a bi-monthly basis, meeting with

departmental staff as necessary and making recommendations with respect to project funding, status and closure as necessary

- ~~Reviewing comparative Operating Budget reports on a bi-monthly basis, meeting with departmental staff as required~~

Compliance

- Monitor the integrity of the Municipality's financial reporting process and system of internal controls regarding financial reporting and accounting compliance
- Reviewing financial and fiscal policies, practices and procedures (eg. Purchasing policy, budget and financial controls policy, travel and expense claims policy, policies for establishing reserves, reserve funds), and conduct periodic compliance reviews
- Review consulting reports prepared to address financial compliance issues including, Development Charges, Actuarial Valuation and Contaminated Sites
- ~~As directed by Council, review and approve amendments to Purchase Orders where the Purchase Order amendments exceed 20% of the original amount which would be applicable to Purchase Orders where the total cost of goods or services authorized exceeds \$50,000.~~
- Review of procurement reports as outlined in the City's Purchasing and Budget and Financial Controls Policy.

Administrative

- Reviewing the Finance Committee Terms of Reference periodically and recommending modifications to Council, as necessary

External Audit

- Selecting and dismissing the external auditor
- Directing and reviewing the performance evaluation process for the external auditor,

- Reviewing the external auditors proposed terms of engagement, audit scope and approach, including coordination of audit effort with City staff
- Participate in the selection of an external audit firm by reviewing the Request for Proposals and bids received, interviewing potential auditing firms and preparing a recommendation for Council accordingly, As per Ontario Municipal Act 2001, section 296(3), the external auditor shall not be appointed for a term exceeding five years
- Review the results of the audit, including the Report to the Finance Committee and the letter to Management, with the external auditors and management ensuring the City's financial reporting practices are assessed objectively, financial statements are properly audited, any problems identified in the audit are satisfactorily resolved; and any external auditor recommendations to management are followed up
- Resolve any disagreements between management and the external auditors regarding financial reporting
- Review significant accounting and reporting issues, including complex or unusual transactions and recent professional and regulatory pronouncements to understand their impact on the financial statements
- Reviewing the draft annual financial statements of the City and its local boards, prior to presentation to Council
- At the end of the audit, consult with the external auditors, without the presence of management, regarding financial compliance and the accuracy of the City's financial statements

Asset Management

- Review the Strategic Asset Management Policy on an annual basis
- Review the Asset Management Plan and make recommendations to Council
- Provide recommendations on strategy, policy and procedural development surrounding Asset Management
- Act in and advisory capacity to Council on issues specific to Asset Management
- Provide Asset Management planning resource recommendations

- Provide recommendations for stakeholder engagement strategies
- Work with Executive Management and departmental staff to coordinate the update of the Asset Management Plan

Departmental Performance Standards

- Review and oversee the development and results of key performance indicators for the Corporation.
- Oversight and review of departmental operating plans and associated strategic and operational performance metrics.
- Make recommendations to Council regarding service delivery / organizational gaps or suggested improvements in service quality/efficiency to enhance service delivery.