



**Date 8 March 2011**

## **City Council Committee Report**

**To: Mayor Canfield & Members of Council**

**Fr: Paul Derouard**

**Re: Internal Audit Policy**

### **Recommendation:**

That Council hereby approves the Internal Audit Policy #AD-6-1; and further

That Council give three readings to a by-law to amend the Comprehensive Policy Manual for this purpose.

### **Background:**

The Audit Committee is a Standing Committee of Council which oversees the administrative systems regarding financial risk management, reporting, and internal control. The primary objectives of the City of Kenora Audit Committee are:

- Further enhance Council's understanding of financial and control reporting.
- Help ensure independent, objective assurance with regards to the City's financial systems and its overall operations, both externally (as provided by the City's External Auditors) and internally.

The role of the Auditor General was discussed during the Oct 28, 2010 audit committee meeting. It was recognized that the Auditor General position was new, and provides new opportunities for the City's Audit Committee. It was agreed that the Auditor General would be a strong, independent role and that some research should be done to see what other municipalities do with a request for a policy to be drafted and brought back to the next Audit Committee meeting.

Attached for your reference is a draft Internal Audit Policy which was developed in consultation with other municipalities. The policy's primary purpose is to establish the principles and framework that will govern the City's Internal Audit Office. The policy was reviewed by the City's Audit Committee during the March 8<sup>th</sup> meeting with a recommendation to proceed for council approval.

### **Budget:**

There is no related budget impact.

### **Communication Plan/Notice By-law Requirements:**

Policy will be circulated and City Policy manuals will be updated.

Cc: Karen Brown