

PURPOSE

The purpose of this policy is to:

- Establish the Finance and Audit Committee (the “Committee”) as an independent oversight and advisory body responsible for overseeing the financial management and audit functions of the Municipality of the County of Victoria (the “Municipality”)
- Define the Committee’s role in ensuring fiscal accountability, transparency, and compliance with applicable legislation, including the Municipal Government Act (MGA) of Nova Scotia
- Outline the Committee’s responsibilities regarding financial oversight, internal controls, risk management, and audit processes to support sound financial governance.

SCOPE

This policy applies to the Finance and Audit Committee, municipal staff, external auditors, and any other stakeholders involved in the Municipality’s financial reporting, budgeting, auditing, and compliance processes.

It governs the Committee’s authority, composition, responsibilities, and operational procedures, ensuring adherence to best practices in municipal financial management.

POLICY

AUTHORITY

The Committee operates as an advisory body to Council and has the authority to:

- Review financial statements and reports before Council approval.
- Assess internal controls and risk management processes.
- Recommend the appointment, reappointment, or removal of external auditors.
- Oversee compliance with financial policies and regulations.
- Review and provide recommendations on the annual municipal budget.
- Request information, reports and/or clarifications from municipal staff as needed.
- Ensure allegations of financial wrongdoing are appropriately investigated.
- Engage outside advisors where appropriate.

The Committee shall have unrestricted access to financial information, management and auditors.

COMPOSITION

Membership on the Committee is duly appointed by Council annually pursuant to Section 44(1) of the *Municipal Government Act*

The Committee shall consist of:

- All elected Council members
- At least one (1) public member, appointed by Council for a two (2) year term

The public member must:

- Not be a Council member or municipal employee
- Be independent (not related to a member of council or to an employee of the municipality) with no conflicts of interest
- Be a resident of the Municipality of Victoria County
- Have a strong financial background and able to comprehend complex financial and regulatory processes
- Have a general understanding of the Municipality's economic, operating, and financial risks
- Be willing to challenge management when necessary
- Preferably be a member of a professional accounting association

When there is a vacancy for a public member, the Committee shall continue to meet and perform its duties. The Municipality shall advertise to recruit at least once every six (6) months until the requirement is met.

Municipal staff are not Committee members but will provide administrative support for the Committee

MEETINGS

The Committee shall meet at least twice per fiscal year, as per FRAM Regulations, but should meet at least four (4) times annually to align with audit and financial reporting cycles.

Meetings may be convened at the request of any member of the Committee, at request of the Municipality's external auditor, or at the request of the CAO or management.

A quorum shall consist of the majority of the members. The Chair of the Committee shall be appointed by the Committee for a two (2) year term.

The Committee shall establish specific meeting dates and agendas to address carry out its responsibilities.

Minutes shall be recorded and submitted to Council. All meetings are open to the public as per the Municipal Government Act.

RESPONSIBILITIES

Financial Reporting

- Review and discuss the Municipality's annual financial statements and external auditor's report
- Recommend the approval of the annual financial statements to Council
- Review and discuss the Municipality's quarterly financial statements and updates
- Ensure compliance with accounting standards and regulatory requirements

Budget Oversight

- Review and assess the Municipality's annual budget
- Provide recommendations on budget priorities and fiscal responsibility
- Recommend the approval of the annual budget to Council

Internal Controls

- Review and consider any matters related to the adequacy of internal controls
- Request reports from management or others on significant control deviations or indications of fraud and the corrective action undertaken
- Evaluate financial condition indicators and risk management strategies

External Audit

- Recommend the appointment of external auditors and review overall audit scope
- Assess audit findings and management responses
- Review the auditor's management letter and management's responses, as well as the status of any significant issues previously reported
- Oversee the independence and performance of auditors

Compliance & Ethics

- Ensure compliance with relevant legislation and policies
- Promote ethical financial management and accountability

- Investigate allegations of financial wrongdoing

REPORTING

The Committee shall report to Council as often as necessary but at least annually. Reporting shall be made through the Committee’s Chair.

TRAINING REQUIREMENTS

Each Committee member must complete training as prescribed by the Department of Municipal Affairs and Housing.

Each Committee member should commit to undertaking any recommended training that enhances their financial literacy, defined as the ability to understand financial statements and financial issues.

REVIEW & AMENDMENTS

The Committee shall annually review, discuss and assess the performance of the Committee and its membership, and shall periodically review and consider the need for recommending amendment to this Policy to Council, subject to Council approval.

ROLES & RESPONSIBILITIES

Title	Role	Responsibilities
Policy Editor	Chief Financial Officer	<ul style="list-style-type: none"> ▪ Ensure policies in their care and control are always up to date, reviewed according to defined review frequency, or sooner (if necessary) ▪ Draft new or edit existing policy content ▪ Be able to interpret and explain policy content ▪ Ensure policy documents are branded and any supporting documents (i.e. applications forms) are also branded and content consistent with the policy ▪ Ensure policy content is relevant and accurate ▪ Seek and secure approval recommendation of the policy from the Policy Owner ▪ Seek and secure approval of the policy from the appropriate Approver; and, ▪ Provide the final approved policy document to the Policy Administrator.
Policy Owner	Council	<ul style="list-style-type: none"> ▪ Provide oversight to ensure policies in their care and control are always up to date, reviewed according to defined review frequency, or sooner (if necessary) by the assigned Policy Administrator ▪ Be able to interpret and explain policy content ▪ Provide oversight to ensure policy documents are branded and any supporting documents (i.e. application forms) are also branded and content consistent with the policy

		<ul style="list-style-type: none"> Provide oversight to ensure policy content is relevant and accurate Review the policy and make recommendation for approval to the appropriate Approver; and, Ensure that the final approved policy document has been provided to the Policy Administrator
Policy Approver	Council	<ul style="list-style-type: none"> Review Policy recommendations for approval consideration (approve, reject or edit)
Policy Administrator	Executive Assistant & Municipal Clerk	<ul style="list-style-type: none"> Facilitate an annual Policy Review; and, Ensure final approved policies are maintained, stored and posted where appropriate
Target Audience	Council, Finance & Audit Committee members, municipal staff, external auditors	<ul style="list-style-type: none"> Notify the Policy Owner of changes to be considered Notify the Policy Owner when the policy becomes out of date or obsolete Follow the Policy

VERSION LOG

Change Date	Description	Editor	Approver	Approval Date
February 14, 2025	Policy created	Alix Redden		
February 24, 2025	Policy brought to Finance & Audit Committee for review	Alix Redden		
April 14, 2025	Policy brought to Council for approval	Alix Redden		