

## Mid-Term Governance Review White Papers Summary #1

### Proposal to Establish a Finance and Audit/Oversight Committee

Rationale for the Establishment of a Finance and Audit/Oversight Committee:

- The establishment of such a Standing Committee would be in line with Governance Objectives 1 and 2 of the 2007-2010 City Strategic Plan – to increase delegation of authority to Standing Committees to improve Council's ability to provide strategic direction to the City
- It is generally agreed that the current budget process does not work
- There is a need for a dedicated Standing Committee that focuses on high-level fiscal and management policy issues. Currently these activities are spread out among several Committees/Sub-Committees/Working Groups
- A dedicated Standing Committee would focus on and help improve the accountability and transparency of the operations of the municipality and would ensure that City Council met its financial oversight responsibilities as defined under the *Municipal Act, 2001*

Potential Roles of a Finance and Audit/Oversight Committee:

- major financial reporting
- policy and planning mandates, including the development of the Long-Range Financial Plans, oversight for the Fiscal Framework, efficiency reports, major policy issues related to the financial sustainability of the organization, external auditor's report, etc.
- further development of the City's Performance Measurement and Reporting Framework
- development of the City's annual budget (or oversight of Sub-Committee with that mandate)
- Auditor General's reports – could be brought forward more frequently, with policy recommendations referred to the appropriate Standing Committee and all financial and management recommendations referred to the Finance and Oversight/Audit Committee

Questions/Issues:

If development of the annual budget is tasked to this committee, what will be the process for public input?

How will policy issues of other Standing Committees feed into the budget development process? What will be the exact relationship between a high-level Finance and Audit/Oversight Committee and the other Standing Committees of Council?