
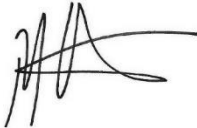



Request for Decision

Title	Audit Policy
Proposed Motion	That Council approve the Audit Policy.
Administrative Recommendation	Administration recommends that Sturgeon County continues to safeguard the integrity of financial information provided to all stakeholders.
Previous Council Direction	<p>June 28, 2016 – Motion 245/16 That Council direct Administration to develop a policy for the review and engagement of external auditors for Sturgeon County.</p> <p>August 27, 2013 – Motion 360/13 That County Council approves the document titled “Summary of Fiscal Principles, Practices, and Policies” as the working document used to guide Administration in the planning and execution of County affairs.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> Overall, external audits safeguard and provide assurance regarding the integrity of Financial Statements, thereby maintaining public confidence. External Auditors play an important role in financial reporting, from ensuring Financial Statements meet the required regulatory and statutory standards, to checking the effectiveness of internal controls, and finally, to making recommendations on areas that need improvement. The Association of Chartered Professional Accountants (CPAs) establishes the standards and requirements that Auditors and Accountants must uphold to maintain their independence in any audit and assurance engagement. The policy proposes a four (4) year-term for External Auditors and will coincide with the timing of the general municipal election, allowing each Council to appoint the auditor the spring/summer following each election. The timing for selecting the Auditor allows a transition period for the incumbent; as well, pre-audit planning and preparation takes place in late summer and fall of each year, for both the audit firm and Sturgeon County.

	<ul style="list-style-type: none"> The draft Audit Policy was presented to Committee of the Whole on June 13, 2017. <p><u>External Communication</u></p> <ul style="list-style-type: none"> The policy will be available on the County's website once approved. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> Summary of Fiscal Principles, Practices and Policies Section 280 of <i>Municipal Government Act</i>, RSA 2000, c. M-26, provides for Auditor's appointment by Council Procurement Procedure
Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Strong Local Governance and Regional Leadership – This policy demonstrates Sturgeon County's commitment to transparency and accountability to residents.</p> <p>Operational Excellence – The policy will ensure the integrity of the External Auditor's engagement process and maintain residents' confidence in financial information provided by the County.</p> <p><u>Organizational:</u></p> <p>The policy will have a minimal impact on an annual basis.</p> <p>When a change of the County's External Auditor occurs, there will be considerable work load on the Administration during the year-end audit process, as there will be a steep learning curve for a new External Auditor.</p> <p>Conversely, the County could benefit from having a new External Auditor with a different perspective and focus.</p> <p><u>Financial:</u></p> <p>Having the same External Auditor for a significant length of time lessens transition time and costs on a yearly basis as the auditor will be familiar with Sturgeon County and its specific needs. Future Audit costs and operational impacts have potential to increase when a new auditor is appointed.</p>
Alternatives Considered	<ol style="list-style-type: none"> Maintain the status quo. Open a competitive process every year to select External Auditor for the County.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Maintaining the status quo may affect residents' confidence in financial information provided by the County in a long run. The independence of

	<p>the External Auditor could be affected.</p> <ul style="list-style-type: none"> • Selecting External Auditors on a yearly basis may not align with Operational Excellence. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Maintaining the status quo will have minimal impact on the operations of Sturgeon County. However, Administration might not benefit from new ideas and perspective from a new External Auditor • Selecting an External Auditor on annual basis will increase the work load for Finance staff. The new Auditor may not have sufficient time to understand the specific needs and operations of the County and this may affect the Auditor's ability to provide beneficial recommendations to the County <p><u>Financial:</u></p> <ul style="list-style-type: none"> • Maintaining the status quo will have minimal cost and operational implications. • Selecting Auditors on a yearly basis will increase audit cost and time significantly over the years.
Follow up Action	None.
Attachment(s)	1. Audit Policy 2. Summary of Fiscal Principles, Practices and Policies
Report Reviewed by:	<div>  Ed Kaemingh, Manager Financial Services </div> <div>  Rick Wojtkiw, GM Corporate Support </div> <div>  Peter Tarnawsky, County Commissioner – CAO </div>

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Consistent with neighborhood role (see MDP), master plans,, policies 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Has a positive impact on regional and sub-regional cooperation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Compliance with Provincial and Federal regulations and/or legislation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Ensure effective environmental risk management 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Enhances service provision through community partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports Sturgeon County's cultural history 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers cumulative costs and long-term funding implications 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Targets growth around current or planned infrastructure 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Positive impact on residents' quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports and promotes volunteer efforts 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides programs and services that are accessible to all residents 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Staff have the knowledge, skills and capability to perform their jobs 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Streamlines operational processes and policies 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Promotes engagement and professional interaction with stakeholders 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>