

## **TTC AUDIT COMMITTEE REPORT NO.**

**MEETING DATE:** April 19, 2011

**SUBJECT:** TTC AUDIT COMMITTEE – MANDATE AND  
RESPONSIBILITIES

### **ACTION ITEM**

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#### **RECOMMENDATION**

It is recommended that the TTC Audit Committee receive and approve the attached Mandate and Responsibilities.

#### **BACKGROUND**

At its meeting on February 2, 2011, the Commission appointed Denzil Minnan-Wong, Norm Kelly and Frank Di Giorgio as members of the TTC Audit Committee.

#### **DISCUSSION**

The Audit Committee last reviewed the Audit Committee's Mandate and Responsibilities at its January 25<sup>th</sup>, 2006 meeting. The document provides a brief summary of the key responsibilities of the Audit Committee.

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Richard G. Beecroft  
Chief Auditor

01-23-24

Attachment – TTC Audit Committee - Mandate and Responsibilities

## TTC AUDIT COMMITTEE

### **Mandate and Responsibilities**

#### **Mandate**

To assist the Commission in fulfilling its oversight responsibilities for the Financial Reporting process; the System of Internal Control; the Audit process; and the TTC's process for monitoring compliance with Laws and Regulations, and the Code of Conduct.

#### **Composition**

The members of the Audit Committee shall be appointed by the Commission. The members of the Audit Committee shall be independent and not be members of Management. It would be advisable for the Chair of the Audit Committee to have an accounting or related financial management expertise.

#### **Responsibilities**

The Committee will carry out the following responsibilities:

##### ***Financial Statements***

- Review with staff and the External Auditors the results of the audits, including any significant accounting and reporting issues, and the reasonableness of any significant estimates;
- Review the annual Financial Statements and consider whether they are complete and consistent with information known to Committee members;
- Review other sections of the Annual Report and consider the accuracy and completeness of information; and
- Recommend an action to be taken by the Commission.

##### ***Internal Control***

- Review the major financial risk exposures and the steps Management has taken to monitor and control such exposures.

***Internal Audit***

- Review and approve the Internal Audit Charter, Organization and Plans;
- Review the effectiveness of the Internal Audit function and ensure there are no restrictions or limitations;
- Receive and review quarterly reports from Internal Audit noting any changes in plans, recommendations, Management's responses and follow-up;
- Oversee periodic Peer Reviews of the Internal Audit function; and
- On an "as required basis" but not less than once annually, meet privately with the Chief Internal Auditor to discuss matters deemed confidential.

***External Audit***

- Review the External Auditors' proposed plan, including co-ordination with Internal Audit;
- Review the performance of the External Auditors and recommend approval of the appointment or discharge of the Auditors;
- Review the External Auditors' Management Letter and Management's responses;
- Approve the annual audit fee and expenses;
- On an "as required basis" but not less than once annually, meet privately with the External Auditors to discuss matters deemed confidential; and
- Receive periodic reports from the External Auditor regarding the Auditors' independence, discuss such reports with the Auditor, consider whether the provision of non-audit services is compatible with maintaining the Auditors' independence.

***Compliance***

- Review the effectiveness of the system for monitoring compliance with laws and regulations;
- Review the findings of any examinations by regulatory agencies;
- Review processes for communicating and monitoring the TTC Code of Conduct; and
- Obtain regular updates from staff regarding compliance matters.

***Reporting Responsibilities***

- Regularly report to the Commission about the Committee's activities and related recommendations;
- Provide an open avenue of communication between Internal Audit, the External Auditors and the Commission; and
- Review any other reports issued by the TTC that relate to the Committee's responsibilities.