ARROW UTILITIES

MEMBER MUNICIPALITIES

CITY OF BEAUMONT

CITY OF LEDUC

CITY OF FORT SASKATCHEWAN

CITY OF SPRUCE GROVE

CITY OF ST. ALBERT

TOWN OF BON ACCORD

TOWN OF GIBBONS

TOWN OF MORINVILLE

TOWN OF STONY PLAIN

LEDUC COUNTY

PARKLAND COUNTY

STRATHCONA COUNTY

STURGEON COUNTY

Sustainable Wastewater Solutions

BOARD POLICIES: AUDITOR APPOINTMENT

approved by ARROW Utilities Board of Directors – September 26, 2025

PURPOSE

To provide a process for the selection and appointment of a financial auditor for a five-year term.

DEFINITIONS

Audit and Finance Committee – Means the Board Members appointed to the Audit and Finance Committee.

Board Members– Means the individuals appointed to the Board of Directors, who collectively make up the Board.

Board of Directors or "the Board" – Means the appointed elected officials representing the member municipalities of ARROW Utilities, responsible to govern and provide oversight to the organization, in compliance with Alberta's Municipal Government Act.

Chief Executive Officer or "CEO" – Means the individual appointed by the Board to the position of Chief Executive Officer.

RESPONSIBILITIES

Audit and Finance Committee –

a. Shall provide oversight of the process and criteria used for the selection and appointment of the external auditor, ensuring alignment with best practices and legislative requirements.
b. Shall consider Administration's recommendation, together with all relevant applicant information, in developing a well-informed recommendation to the Board.
c. Shall safeguard the confidentiality of all materials, evaluations, and deliberations related to the selection process, in compliance with applicable laws.
d. Shall ensure the Committee's independence and objectivity are maintained with respect to the external auditor under consideration.

Board of Directors –

a. Shall approve the Auditor Appointment.
b. Will ensure compliance with this policy, providing resources necessary for effective management.
c. Will review and update this policy as required, at minimum every four years.

d. Will appoint a financial auditor for a five-year term, following a competitive procurement process, and will undertake a re-tendering process at the completion of each term.
e. At its discretion, may terminate the services of the auditor before the end of the defined contract and direct the CEO to solicit proposals for a new auditor.

CEO –

a. Shall provide organizational oversight ensuring compliance with the policy.
b. Will ensure necessary Administrative Policies are in place to support the Auditor Appointment policy.
c. In partnership with the Director of Financial and Corporate Services, and the Financial Controller, will evaluate the proposals and prepare a summary report for the Finance and Audit Committee's consideration in the selection of the auditor.

STANDARDS/ PROCEDURES

ARROW Utilities commits to:

1. Soliciting proposals for financial audit services in accordance with the Commission's procurement policies and procedures by July 1st of the final year of an auditor's term.
2. Receive for information from the Auditor's annual confirmation regarding auditor independence.

REFERENCE DOCUMENTS

Administrative Procurement Policy