



Audit Committee

Terms of Reference

NAME: This Committee shall be called the Audit Committee.

STATUS: The Audit Committee is a standing committee of the Board of Directors. The Audit committee makes any recommendations directly to the Board of Directors.

MANDATE:

The purpose of the Committee includes the review of the annual statements but should also include controls over financial reporting and monitoring compliance with laws and regulations. Its primary role is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the organization's process for monitoring compliance with laws and regulations and the code of conduct.

MEMBERSHIP: The Committee shall consist of at least three persons (of which at least one should be financially literate with some experience in financial reporting) including:

- the Chair, who is the Association's Treasurer
- one member, who also sits on the Board of Directors
- one member, who is a general member of the association

RESOURCES: Business & Operations Manager, Senior Staff Officer

MEETINGS: The Committee shall meet at least three times a year. Meeting agendas will be prepared and provided in advance to members along with appropriate briefing materials and minutes from the previous meeting.

QUORUM: Fifty percent of the total membership, including Committee Chair, plus one shall constitute a quorum.

FUNCTIONS:

1. To review arrangements for, and approach to, the annual audit.
2. The Committee may conduct or authorize investigations into any matter within the scope of responsibility. In doing so, the Committee may:
 - a. Retain outside counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
 - b. Seek any information it requires from employees - all of whom are directed to cooperate with the Committee's requests - or external parties; and
 - c. Meet with Association staff & officers, external auditors or outside counsel, as necessary.
3. To review the annual audited financial statements and related documents and to recommend approval of them to the Board. The review shall include discussion with external auditors and management on issues such as accounting principles, practices and judgements.

4. To review reports and recommendations from the external auditors concerning internal control and other matters and to assess management's response to such matters.
5. To monitor the integrity of the association's - a) financial reporting process and b) system on internal controls, regarding financial reporting and accounting compliance.
6. To review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and to provide the Committee's view to the Board of Directors.
7. To review the performance of the external auditors and annually recommend to the Board of Directors the appointment of the external auditors or recommend the discharge of auditors when circumstances warrant.
8. To assess the reasonableness and adequacy of the audit fee and approve the fees and other significant compensation to be paid to the external auditors.
9. To meet with the external auditors to discuss with them any matters they may wish to bring to the attention of the Committee concerning the financial affairs of the association.
10. To make recommendations to the Board of Directors, with respect to financial reporting and accounting policies, thereby providing an avenue of communication between external auditors, staff and the Board of Directors.
11. To review any critical accounting policy or accounting principle changes including appropriate application of Generally Accepted Accounting Principles (GAAP).
12. To review the findings of any examinations for regulatory agencies.
13. To consider the effectiveness of the internal control over annual, and if applicable monthly, financial reporting including information technology security and control.
14. To perform other oversight functions as requested by the Board of Directors.
15. Confirm annually that all responsibilities outlined in the Committee's Terms of Reference have been carried out.
16. Evaluate the Committee's and individual members' performance on a regular basis.

REPORTING: As required to the Board of Directors and at least once a year at the Annual General Meeting through the Financial Report.

Reviewed by the Board of Directors: 13 June 2019

Approved by the Board of Directors: 13 June 2019