



Audit Committee Terms of Reference 2022-23

Mission

1. To provide independent advice to the Board of Trustees in the areas of financial reporting, external audit process, risk management and internal controls and compliance matters.

Membership

2. The Audit Committee will be comprised of the following members:
 - a. Two Trustees as appointed by the Chair of the Board of Trustees.
 - b. Two external community members recommended by the Selection Committee.
3. External community members are identified, through an application process, by a Selection Committee as potential candidates for appointment to the Audit Committee. The Selection Committee shall be comprised of at least:
 - a. Chair of the Board of Trustees or Trustee designated by the Chair.
 - b. Director of Education & Secretary.
 - c. Superintendent of Business & Treasurer or designated alternate.
4. The Selection Committee shall recommend to the Board of Trustees the external community members as potential candidates. The Board of Trustees approves the appointment of the external community members.
5. An external community member appointed to the Audit Committee must:
 - a. Hold an appropriate accounting designation (CPA – CA, CMA, CGA).
 - b. Not be employed or an officer of the Board.
 - c. Not have a parent, child, or spouse employed or be an officer of the BHNCD SB.
 - d. Not be employed with the current auditor of record for the Board (Millard, Rouse Rosebrugh LLP).
 - e. Be a Catholic School ratepayer and support the values of the Catholic school system.
6. External community members are volunteers and will not receive any remuneration. Any incidental expenses (mileage, parking, etc.) will be reimbursed in accordance with current Board policy.
7. The Manager of Financial Services, reporting directly to the Audit Committee for audit matters, will act as its primary resource. The Director of Education & Secretary and the Superintendent of Business & Treasurer will also be resources to the Audit Committee as required.
8. At the first meeting of the Audit Committee in each fiscal year, the Chair of the Board will appoint the Chair of the Audit Committee. The Chair of the Audit Committee will establish the agenda of the meetings; based on the work plan developed by the Audit Committee.

Term of Office

9. The term of office of an external community member shall be a period of three (3) years; with the possibility of extension to a maximum of one additional term, unless:
 - a. The Board advertised the position for at least 30 days, and
 - b. After 30 days, the Selection Committee did not identify any potential candidates.
10. When the term of an external community member expires, they continue to be a member of the Audit Committee until a successor is appointed or the external community member is reappointed.

Meetings

11. The Audit Committee will meet at least three (3) times per year. Meetings should coincide with the significant financial reporting dates of the Board, including estimates, revised estimates, seven-month financial reporting, and year-end reporting. Additional meetings may be scheduled at the Call of the Chair of the Audit Committee, if deemed necessary to carry-out its responsibilities effectively and efficiently.
12. Minutes will be taken at each meeting and will be presented to the Board of Trustees as part of a consent agenda.
13. At least one external Community Member is required for quorum to be achieved.

Responsibilities

Financial Reporting

14. Review and recommend to the Board, if the Audit Committee considers it appropriate to do so, that the Board approve the annual audited financial statements and any other financial monitoring report.

External Audit Process

15. Recommend to the Board the appointment of the external auditor for a term not exceeding five years. The selection process must also be in accordance with Board procurement procedures.
16. Review all matters, which the external auditor is required to communicate to the Audit Committee, including:
 - a. The external auditor's audit plan and audit findings.
 - b. The external auditor's engagement letter and independence letter.
 - c. Any management representations made to the external auditor and those representations not obtained from management, if any.
17. Meet on a regular basis with the external auditor to discuss any matters that the Audit Committee or the external auditor believes should be discussed.
18. Review at least once in each fiscal year, the performance of the external auditor and make recommendations to the Board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.
19. Recommend to the Board, the pre-approval of all audit and non-audit services to be performed by the external auditor.

Risk Management and Internal Controls

20. A regional internal auditor will perform activities related to the oversight of the Board's risk management issues or financial matters, as requested by the Board.
21. Review and recommend to the Board the content of the annual or multi-year Internal Audit Plan as prepared by the regional internal auditor.
22. Review at least once in each fiscal year, the performance of the regional internal auditor and provide the Superintendent of Business Services & Treasurer with comments regarding their performance.
23. Meet on a regular basis with the regional internal auditor and management to discuss any matters that the Audit Committee or regional internal auditor believes should be discussed.

Compliance Matters

24. Review the effectiveness of the Board's system for monitoring compliance with legislative requirements and with the Board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by management to address the non-compliance.
25. Review any significant findings of regulatory entities and any observations of the internal auditor or external auditor related to those findings.

Code of Conduct

26. As part of fulfilling its responsibilities, the Audit Committee must:
 - a. Uphold and respect the mission of the Board.
 - b. Declare any conflicts of interest that would impede their independence.
 - c. Review its mandate annually.
 - d. Be accountable to the Board of Trustees, representing the interest of all stakeholders.
 - e. Act ethically and independently.
 - f. Communicate effectively with staff, management, other committee members and advisors to ensure that they have sufficient knowledge regarding current and perspective audit issues.