

Audit Committee Terms of Reference

Role:

The role of the audit committee is to assist the Board of Trustees in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, and the audit process (including Public Sector Accounting Standards (PSAS) compliance).

Authority:

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- a. With the consent of the Board of Trustees, 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 Division officers, external auditors or outside counsel, as necessary.

Composition:

The audit committee shall comprise of at least 5 individuals and shall include at least one of the following individuals:

- a. Three member Trustees from the Board of Trustees. One of the trustees shall act as chair of the audit committee; and,
- b. One member of the business community, who is independent to the Division, has no relationship to the audit firm and preferably, who are financially literate.
- c. a member of the adult learning community who is independent to the Division, has no relationship to the audit firm and preferably, who are financially literate.
- d. a grade 11 or 12 student, if possible.

Meetings:

The audit committee will meet at least three times per year, with authority to convene additional meetings, as circumstances require. All audit committee members are expected to attend each meeting. The audit committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Minutes of meetings will be prepared. Audit committee reports shall be provided at a meeting of the Board of Trustees.

Compensation:

The audit committee members shall be compensated as follows:

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| a. Elected School Trustees | as per Board Policy |
| b. Public member | amount equal to trustee per diem |

Responsibility:

The audit committee will carry out the following responsibilities:

Financial Statements:

- a. Review significant accounting and reporting issues, including complex or unusual transactions;
- b. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles; and,
- c. Review with management and the auditors all matters required to be communicated to the Board of Trustees.

Internal Control:

- a. Consider the effectiveness of the Division's internal controls over annual reporting, including information technology security and control; and,
- b. Understand the scope of auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- c. Review current administrative procedures related to financial practices and processes. Direct management to revise existing administrative procedures or create new administrative procedures, as deemed necessary.

Audit:

- a. Review the auditor's proposed audit scope and approach
- b. Review with management and the auditors the results of the audit, including any difficulties encountered, including internal and external school audits;
- c. Review the performance of the auditors, and provide a recommendation to the Board of Trustees the final approval on the appointment or discharge of the auditors;
- d. Review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the School Division, including non-audit services, and discussing the relationship with the auditors; and,
- e. Meet separately from management, with the auditors to discuss any matters that the audit committee or auditors believe should be discussed privately.

Compliance:

- a. Review the findings of any examinations by regulatory agencies, and any audit observations; and,
- b. Obtain regular updates from management and WRPS's legal counsel regarding compliance matters.