

**BOARD OF EDUCATION
School District #33 (Chilliwack)**

**222.1 – BOARD REGULATION
Board Committees – Partner/Community Membership**

Audit Committee Terms of Reference

The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by overseeing the internal control environment, reviewing the financial statements and the external audit process. The Committee is advisory to the Board. The Audit Committee shall have direct communication channels with the external auditor to discuss and review issues within its mandate. The Audit Committee makes its recommendations directly to the Board.

Membership

The Committee shall consist of three (3) Trustees, and one (1) community member if possible who is financially literate in these processes.

A motion and vote is required for all committee decisions with the quorum being any two (2), trustees and/or community member.

Meetings

The Committee shall meet with the external auditors as it deems appropriate to fulfill its duties but no less than two (2) times.

Minutes of meetings shall be taken by the corporate secretary or his/her delegate.

Responsibility

The Audit Committee will carry out the following responsibilities:

a) Selection of Auditor

- To review and participate in a public tendering process to identify a financial auditor for the school district.

- To provide a recommendation to the Board of Education regarding the appointment or discharge of the auditor.

- To review the performance of the auditor.

b) Financial Statements

- To review annual financial statements and indicators of financial health considering whether they are complete, consistent with information known to committee members and reflect appropriate accounting principles.
- To review with the auditor the results of the audit, including any difficulties encountered.
- To review with the auditors and senior administration matters that are required to be reported to the Board of Education.
- To report financial statements to the Board of Education.

c) Risk Assessment

- To monitor key risks that could impact the achievement of District objectives.

d) Internal Controls

- To consider the effectiveness of the District's internal financial controls including information technology security and control.
- To understand the scope of the auditor's review of internal financial controls and obtain reports on significant findings and recommendations together with the response of senior administration.

e) Audit

- To approve the auditor terms of engagement.
- To review the auditor's proposed audit scope and approach.
- To review and confirm the independence of the auditors.
- To meet with the auditor, both prior to the commencement of the audit and post audit, to discuss any matters that the Audit Committee or the auditors believe should be discussed.

f) Compliance

- To review audit observations and/or any findings by any regulatory agency.
- To review financial procedures and ensure compliance.
- To report annually to the Board of Education on the outcome of the financial audit.