

## **POLICY 163 AUDIT WORKING COMMITTEE**

The Board of Education is committed to financial oversight, with understanding and interpreting the district audit being integral to good governance. The Board also recognizes and accepts its responsibility to approve the annual financial statements.

The Audit Working Committee mandate is to assist the Board in fulfilling its financial oversight responsibilities. The committee is advisory in nature and reports directly to the Board through the Chair of the committee.

The Audit Working Committee will have direct communication channels with the external auditor to discuss and review issues within its mandate.

The committee will consist of three (3) Trustees (*one to serve as Chair and one as Vice-Chair*) and up to two (2) community members who are financially literate in these processes. Any trustee may attend committee meetings as an observer.

The chair's responsibility is to encourage the participation of each member and to present minutes of the meeting at a subsequent Board meeting.

The committee will meet with the external auditors as it deems appropriate to fulfill its duties but not less than two (2) times annually. Committee members will be invited to attend the final audit presentation by the auditors to review the Audit Findings Report and Audited Financial Statements.

A motion and vote are required for any committee recommendations, with the quorum being any three members.

Minutes of meetings will be prepared and provided to the Board at a Board meeting following committee meetings.

The Audit Working Committee will carry out the following responsibilities:

1. Selection of Auditor
  - 1.1. Review and participate in a public tendering process to identify a financial auditor for the school district.
  - 1.2. Provide a recommendation to the Board regarding the appointment or release of the auditor.
  - 1.3. Review the performance of the auditor.

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2. Audit
  - 2.1. Review the auditor terms of engagement.
  - 2.2. Review the auditor's proposed audit scope and approach.
  - 2.3. Review and confirm the independence of the auditors.
  - 2.4. Meet with the auditor, both prior to the commencement of the audit and post audit, to discuss any matters that the committee or the auditors believe should be discussed.
3. Risk Assessment
  - 3.1. Comment upon key risks that could impact the achievement of district objectives.
4. Internal Controls
  - 4.1. 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.
  - 4.2. Consider and make recommendations on the effectiveness of the district's internal financial controls including information technology security and control.
5. Financial Statements
  - 5.1. 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.
  - 5.2. Review with the auditor the results of the audit, including any difficulties encountered.
  - 5.3. Review with the auditors and senior administration matters that are required to be reported to the Board.
  - 5.4. Provide comment upon the financial statements to the Board.
6. Compliance
  - 6.1. Review audit observations and/or any findings by any regulatory agency.
  - 6.2. Review financial procedures and ensure compliance.