

POLICY 10 - APPENDIX A

Grande Prairie Catholic School District #28 Terms of Reference Audit Committee

Purpose:

To assist the Board of Trustees and the Superintendent of Schools in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process (including GAAP compliance) and monitoring the District's compliance with laws and regulations pertaining to the financial operations.

Authority:

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

- A. Seek any information it requires from employees – all of whom are directed to cooperate with the committee's requests or external parties, including legal counsel, accountants or other;
- B. Meet with District officers, external auditors or outside counsel, as necessary.

Composition

The Audit Committee will consist of the following members and shall be for a one year term:

- a. Two trustees from one of whom shall act as chair of the Audit Committee; and
- b. Two members of the general public, who are independent to the District, have no relationship to the audit firm and who are financially literate.

Meetings

The Audit Committee will meet at least twice a year, with authority to convene additional meetings, as circumstances require. All Audit Committee members are expected to attend each meeting, in person or via tele-or video-conference. The Audit Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It may hold private meetings with auditors if deemed necessary.

Minutes of meetings will be prepared. Audit Committee reports shall be provided at a meeting of the Board of Trustees. The Superintendent will ensure a staff member is present to record minutes..

Compensation

The Audit Committee members shall receive an honorarium as follows:

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|----------------------------|----------------------------------|
| a. Elected School Trustees | as per Board Policy |
| b. Public Members | Equivalent to Trustee Honorarium |

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 with management and the auditors the results of the audit, including any difficulties encountered;
- c. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles; and
- d. 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 District'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.

Audit

- a. Review the auditor's proposed audit scope and approach;
- b. Review the performance of the auditors, and provide any recommendations to the Board of Trustees when deemed necessary;
- c. Review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the School District, including non-audit services and discussing the relationship with the auditors, and
- d. On a need basis, meet separately 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 company legal counsel regarding compliance matters.

Amended June 2017