



Audit Committee

Terms of Reference

1. 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 financial controls, the audit process (including GAAP compliance) and monitoring the Division's compliance with laws and regulations pertaining to the financial operations.

2. Authority

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

- a) retain outside counsel, accountants or others to advise the committee or assist in the conduct of an investigation; with the consent of the Board of Trustees;
- 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.

3. Composition

a) Voting Members

The Audit Committee will consist of the following members:

- a) two Trustees, one of whom shall act as chair of the Audit Committee, and
- b) two members of the general public who:
 - live in the Division;
 - are independent of the Division, member and/or spouse cannot be Division employees;
 - have no relationship to the Board Appointed External Auditors or potential audit firms; and,
 - are financially literate.

Preference is for committee continuity by having trustees and public members appointed for two year terms and, at least half the committee members being retained each year.

b) Advisory Members

- Associate Superintendent of Business and Operations
- Director of Finance

4. Meetings

The Audit Committee will meet at least twice per year, with authority to convene additional meetings, as circumstances require. All Audit Committee members are expected to attend each meeting in person. The Audit Committee may invite other members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Minutes of meetings will be prepared and provided to the Board of Trustees.



5. Compensation

The Audit Committee members shall be compensated as follows:

- a) Elected School Trustees: as per Board Policy,
- b) Public members: as per Board Policy DLD Honorarium and Expenses for Outside Personnel

6. Responsibility

The Audit Committee will carry out the following responsibilities:

a) Financial Statements:

- i. Review significant accounting and reporting issues, including complex or unusual transactions;
- ii. Review with management and the auditors the results of the audit, including any difficulties encountered;
- iii. Review the annual financial statement and indicators of financial health considering whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles;
- iv. Review with management and the auditors, matters required to be communicated to the Board of Trustees.

b) Risk Assessment

- i. Review risks to financial health of Rocky View Schools; and
- ii. Review Fiscal Accountability check list (to be developed).

c) Internal Control

- i. Consider the effectiveness of the Division's internal financial controls, including information technology security and control, and
- ii. Understand the scope of auditor's review of internal financial controls, and obtain reports on significant findings and recommendations, together with management's responses.

d) Audit

- i. Approve auditor terms of engagement
- ii. Review the auditor's proposed audit scope and approach;
- iii. Review the performance of the auditors and provide a recommendation to the Board of Trustees regarding the appointment or discharge of the auditors;
- iv. Review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and Rocky View Schools, including non-audit services, and discussing the relationship with the auditors; and



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- v. Meet both prior to commencement of the audit and post audit separately with the auditors to discuss any matters that the Audit Committee or auditors believe should be discussed privately.

e) Compliance

- i. Review the findings of any examinations by regulatory agencies, and any audit observations;
- ii. Review financial procedures and review compliance; and
- iii. Obtain updates from management and auditors regarding compliance matters at least once a year.

f) Other

- i. Such other assignments as determined from time to time by the Board.