

SECTION 200 – Board Governance

POLICY 208.1: AUDIT COMMITTEE

BACKGROUND

In order to facilitate the work of the Board and comply with Provincial regulations under the Education Act the Board is mandated to create and maintain a standing Audit Committee.

POLICY

The purpose of the Committee is to assist the Board and the Superintendent in fulfilling their oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process (including Public Sector Accounting Standards (PSAS) compliance), and monitoring the Division's compliance with laws and regulations pertaining to financial operations.

GUIDELINES

- 1. Authority** - The Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:
 - 1.1 Meet with the Division officers, external auditors or outside counsel as necessary.
 - 1.2 Seek any information it requires from employees – all of whom are directed to cooperate with the Committee's request or that of associated external parties.
 - 1.3 With the consent of the Board, retain outside counsel, accountants or others to advise the Committee or assist the conduct of an investigation.
- 2. Responsibilities** - The Committee will carry out the following responsibilities:
 - 2.1 Financial statements
 - 2.1.1 Review significant accounting and reporting issues, including complex or unusual transactions.
 - 2.1.2 Review with management and the auditors the results of the audit, including any difficulties encountered.
 - 2.1.3 Review the annual financial statements, and consider whether they are complete, consistent with the approved budget for the school year in question and other information known to Committee members, and reflect appropriate accounting principles; and

- 2.1.4 Review with management and the auditors all matters required to be communicated to the entire Board.

2.2 Internal Control

- 2.2.1 Consider the effectiveness of the Division's internal controls over annual reporting, including information technology security and control. (This function will largely be through a review of the external audit report and the audit findings.); and
- 2.2.2 Understand the scope of the auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

2.3 Audit

- 2.3.1 Review the auditor's proposed audit scope and approach.
- 2.3.2 Review the performance of the auditors and provide recommendations to the Board concerning the final approval on the appointment or the discharge of the auditors.
- 2.3.3 On a needs basis, meet separately with the auditors to discuss any matters that the Audit Committee or auditors believe must be discussed privately.

2.4 Compliance

- 2.4.1 Review the findings of any examination by regulatory agencies and any audit observations.
- 2.4.2 Obtain regular updates from management regarding compliance matters.

3. Membership

3.1 Mandatory Members:

- 3.1.1 Trustees - one (1) trustee.
- 3.1.2 General Public – two (2) members of the general public, who are financially literate, have no relationship to the audit firm and are independent from the Division.

3.2 Remaining Members:

- 3.2.1 Trustees – a second trustee.
- 3.2.2 Superintendent – the Superintendent of Schools.

3.3 Advisors:

- 3.3.1 Secretary Treasurer – the Division's Secretary Treasurer.
- 3.3.2 Director of Finance – the Division's Director of Finance.

3.4 Chair – The Chair shall be chosen from among the members.

3.5 Term of the Chair – The term of the Chair shall be determined by the members, however normally the term would be for a four-year period or until the next general election (election of the Board), which ever is shorter.



4. Meetings

- 4.1 The committee will meet at least once a year, with authority to convene additional meetings, as circumstance require.
 - 4.1.1 All committee members are expected to attend each meeting, in person or via tele- or videoconference.
 - 4.1.2 The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.
 - 4.1.3 The Committee may hold private meetings with auditors and executive sessions.
 - 4.1.4 Minutes of meeting will be maintained. Committee reports shall be provided at a meeting of the Board. The secretarial function will be determined by the Superintendent or designate.

5. Committee Remuneration – the audit committee members shall be remunerated as follows:

- 5.1 Division staff – will not receive remuneration for attending meetings.
- 5.2 Trustees – who sit on this committee will not receive remuneration for attending Audit Committee meetings in town. If there is any out-of-town travel the Trustee remuneration policy would apply.
- 5.3 Community Members – shall per paid as follows:
 - 5.3.1 Meetings – they will be remunerated at ½ of the per diem rate paid to Trustees for meetings of the Audit Committee.
 - 5.3.2 Travel – If required to travel out-of-town for committee business they shall be paid the full per diem for each day that they are out-of-town, as well as expenses in accordance with Division policy on Expense Reimbursement.

REFERENCES

[Policy 208 – Board Committees](#)

Alberta Education Act

Approved: December 10, 2019

