

NORTHEASTERN CATHOLIC DISTRICT SCHOOL BOARD

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AUDIT COMMITTEE

POLICY STATEMENT

The Audit Committee is a committee of the Northeastern Catholic District School Board whose primary function is to assist the Board in fulfilling its financial reporting and controls responsibility to the stakeholders of the Board. The external auditors will report directly to the Audit Committee.

POLICY REGULATIONS

1. Responsibilities of the Audit Committee

The Audit Committee's primary duties and responsibilities are:

- 1.1 Overseeing the integrity of the Board's financial statements and reviewing the financial reports and other financial information provided by the Board to any governmental body or the public;
- 1.2 Recommending the appointment and reviewing and appraising the audit efforts of the Board's external auditor, overseeing the external auditor's qualifications and independence and providing an open avenue of communication among the external auditor, senior management and the Board;
- 1.3 Serving as an independent and objective party to oversee and monitor the Board's financial reporting process and internal controls, the Board's processes to manage financial risk, and the Board's compliance with legal, ethical and regulatory requirements; and
- 1.4 Encouraging continuous improvement of, and fostering adherence to, the Board's policies, procedures and practices at all levels.

2. Composition of the Audit Committee

- 2.1 The Committee shall consist of three members of the Board of Trustees including the Chair of the Audit Committee.
- 2.2 The members of the Audit Committee shall be appointed at the annual inaugural meeting of the Board.

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3. Meetings of the Audit Committee

- 3.1 The Committee shall meet a minimum of two times each year.
- 3.2 The first meeting shall be held before the year end audit process commences and the second meeting shall be held following the completion of the audit when the audit report and draft audited financial statements are available for review.
- 3.3 The Committee shall meet at the call of the Chair at such other times as are required to fulfill its duties.
- 3.4 Meetings will be conducted with members present, in person, by telephone or by video conference facilities.
- 3.5 The Chair of the Audit Committee will periodically report the committee's findings and recommendations to the Board of Directors.

4. Duties of the Audit Committee

- 4.1 The Committee shall oversee the financial reporting process, the accounting standards, policies and procedures used to prepare the Board's financial statements, the implementation and maintenance by management of the accounting standards, policies and procedures, and the risks and controls related to the financial reporting process.
- 4.2 The Committee shall communicate with the external auditor concerning the roles and responsibilities of the auditor within the financial reporting process. The Committee shall be mindful of the confidentiality of certain communications with the auditor.
- 4.3 Prior to completion of the audit this communication would include the audit and non-audit services the auditor is providing, the level of responsibility assumed by the auditor under generally accepted auditing standards, and a summary of the audit approach.
- 4.4 After completion of the audit this communication would include matters set out in any other assurance standards, matters that have a significant effect on the qualitative

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aspects of accounting principles used in the Board's financial reporting; and any other matters arising from the audit that, in the judgment of the auditor, are important and relevant to the Committee.

- 4.5 The Committee shall report to the Board on significant matters, if any, arising out of these communications with the auditors.
- 4.6 The Committee shall receive the annual audited financial statements of the Board and shall recommend to the Board the approval and publication of the annual audited financial statements in accordance with the Education Act and its Regulations.
- 4.7 The Committee shall receive, as and when necessary, any interim financial statements of the Board, whether audited or not, that are required to be prepared in accordance with the Education Act and its Regulations.