



Audit Committee Terms of Reference

Policy Type: Board	Approval Date: September 2008
Sub-Category: Governance	Amended: April 2012 June 2015 November 2015 February 2018 February 2021
Last Review Date: February -2021	Next Review Date: February 2024

a) Purpose, responsibilities and delegated powers:

The purpose of the Audit Committee is to provide recommendations to the Board of Directors regarding actions that will mitigate organizational risk. Specifically, the Audit Committee will assist the Board to fulfill its responsibilities with respect to:

- Overseeing the financial reporting process
- Monitoring the manner in which the organization's management ensures the adequacy of the financial controls
- Monitoring the manner in which the organization's management ensures the risk management processes manage significant risk exposures to the organization
- Selecting, and ensuring independence and performance of the organization's external auditors

The Committee shall:

- On an annual basis, review these terms of reference and provide recommendations for any changes to the Board
- Review and approve the external auditors terms of engagement, proposed fee and planned scope of audit
- Monitor the integrity of the financial statements of the organization
- Assist the Board's overseeing of the organization's compliance with applicable legal and regulatory requirements
- Prior to the filing of any audit report with the Board, review reports/statements with management and external auditors
- Monitor the organization's critical accounting policies and practices used, and provide the Board with recommended changes

- Review and discuss with management and the external auditors significant business risk exposures and the processes established to identify, monitor, control and report such exposures
- Evaluate annually the design and effectiveness of internal control structures and procedures of the organization for the purposes of financial reporting
- Identify and evaluate key risks that threaten achievement of the organization's objectives
- Monitor reports from management on a regular basis regarding the following risk management issues:
 - i. Compliance with Board policies
 - ii. Compliance with any and all pertinent federal provincial and municipal regulations
 - iii. Disaster and emergency planning
 - iv. Incident and occurrence reports
 - v. Quality improvement
 - vi. Security
 - vii. Workplace health and safety
 - viii. Other pertinent activities

b) Composition:

The Audit Committee will have a minimum of four members, comprised of:

- Board Treasurer
- Not more than 4 other Board members
- Not more than 2 former Board members
- Not more than 3 voting members from the membership at large
- Executive Director (non-voting)
- Director, Human Resources and Operations (non-voting)
- President, Ex-Officio

c) Selection and term of office:

The Committee will select the committee members by consensus. A call for nominations will be circulated to membership. Interested members will be asked to submit a letter of interest.

Selection will be based on best representation of membership demographics and familiarity with financial statements and systems.

The Board Treasurer will Chair the Committee. Members at large will serve a three-year term, renewable twice (i.e. up to a maximum of 9 years). The term of Board members will be determined by the Board.

If the Treasurer position is vacant, the Board shall appoint a chair from the Board or membership at large until the Treasurer position is filled.

d) Rules for meetings:

The group will meet as required, at the request of the Chair. Members may be required to provide input between meetings via telephone or e-mail. Members who miss more than three meetings in a row (except due to attending births or extraordinary circumstances), will have their membership on the Committee revoked. Minutes for each meeting will be recorded. Quorum will be 50% of the voting members.

The AOM recognizes the dignity and worth of every person and is committed to creating an environment that is safe, accessible, inclusive and respectful of members, Board members, staff, and the Ontario public. The AOM recognizes that inequity is maintained by oppression, discrimination against, and systemic marginalization of people based on the protected grounds identified by the Ontario Human Rights Code.^[1] All members of this committee are expected to foster equity and inclusion, in accordance with the expectations set out in the AOM's Policy on Anti-Oppression, Diversity, Equity and Inclusion (November, 2016). The AOM will work to ensure a safe space in which committee members will work. Training to support anti-oppression, diversity, equity and inclusion will be made available to members of committees, work groups and task forces as required.*

** for a definition of anti-oppression, see AOM's policy on Anti-Oppression, Diversity, Equity and Inclusion."*

Members who are unwilling to meet the expectations of the Anti-Oppression, Diversity, Equity and Inclusion policy may, at the sole discretion of the [Board or Executive Director] have their membership on this committee revoked.*

e) Reporting and accountability:

This committee will meet at least four times per year and report to the Board at least quarterly. Committee meetings can be called by the Chair; meetings can also be called by the external auditor or the Executive Director if they consider one necessary.