



TERMS OF REFERENCE – AUDIT SUB-COMMITTEE

Effective Date: September 2021
Last Revised Date: August 2024
To be reviewed: May 2025

Committee Oversight: *Finance and Audit*
Authorized by: Board of Directors

PREAMBLE	All standing and adhoc committees of the Hôtel-Dieu Grace Healthcare Board (the “Board”) are established to assist the Board with workload, and are created as an advisory body to the Board, with no inherent right or role. All committee powers are derived from the Board (with the exception of those that are legislated; Medical Advisory Committee, Quality Committee and Fiscal Advisory Committee) and all regular work of all committees must be clearly identified by the Board in the annual approved work plans.
PURPOSE	The Audit Committee is a sub-committee of the Finance and Audit Committee for the sole purpose to act as an advisory to the Board and oversee the integrity of the Corporation’s internal accounting controls and reporting processes.
RESPONSIBILITIES	Audit: <ul style="list-style-type: none">• Recommend to the Board:<ul style="list-style-type: none">○ The appointment/re-appointment of the external auditor and auditor’s remuneration by the members at the annual meeting○ Audited Financial Statements in conjunction with the report of the auditor• Receive the audit planning and preparation including:<ul style="list-style-type: none">○ review, with the auditors, the proposed scope of the current year’s audit;○ assess whether appropriate assistance is being provided to the auditors by the organization’s staff;○ review control weaknesses detected in the prior year’s audit, and determine whether all practical steps have been taken to overcome them• Review managements implementation of the auditors recommendations• Review non-audit services provided by the auditor and other factors that might compromise the auditor’s independence and make recommendations to ensure auditor independence• Meet privately with the auditors (without management/staff) as required, and receive and review recommendations with respect to management, accounting systems, and internal control issues• Seek confirmation of compliance to generally accepted accounting principles and all new accounting, auditing and reporting standards• Annual assessment of the external audit firm and a comprehensive review of the external audit firm every five (5) years

	<ul style="list-style-type: none"> • Such other matters as may be referred by the Board, from time to time
MEMBERSHIP/ TERM/VOTING	<p>Membership:* At least one elected director committee member must have a professional accounting designation.</p> <ul style="list-style-type: none"> • Shall be the elected Directors of the Finance and Audit Committee <u>only (voting)</u> • Chair; who shall be the Chair the Finance and Audit Committee (non-voting) • Chair of the Board (ex-officio non-voting) • Chief Executive Officer (ex-officio non-voting) • Chief Financial Officer (ex-officio non-voting) • Notice of the time and place of committee meetings shall be given to the external auditor. The external auditor shall be entitled to attend committee meetings and to be heard, and shall attend every committee meeting if requested to do so by a committee member. • One (1) Non-Director Committee Member; not an appointed Member of the Finance & Audit Committee (must hold a CPA accounting designation and sit as an independent member) <p>Term:</p> <ul style="list-style-type: none"> • July 1 – June 30 <p>Voting:</p> <ul style="list-style-type: none"> • Only those elected board members and ex-officio voting board members shall be entitled to vote • There shall be no proxy voting • As per the by-law (Article 4.2) electronic participation/attendance is acceptable, however email voting is not permitted
MEETINGS	<p>At least twice per year or at the call of the Chair.</p> <p>Meetings may also be held at the call of the external auditor or a committee member. The auditor shall be afforded the opportunity to meet with elected Directors only.</p> <p>All meetings will be held in camera.</p>
QUORUM	<p>Shall be fixed at not less than a majority of its Directors <u>only</u>.</p>
REPORTING	<p>The Audit Sub-Committee is established under the authority of the Board of Directors and is required to report to the Board. Minutes are recorded and available to the Board.</p>
RESOURCES	<p>Chief Executive Officer, Chief Financial Officer, Director of Finance & Payroll, Executive Assistant to the CEO and any additional staff required for the committee to fulfilling its duties.</p>