

**GOVERNANCE CULTURE****GC-5E: Board Committees Terms of Reference**

**Monitoring Method:** Board Self-assessment  
**Monitoring Frequency:** Annually

**Audit and Risk Committee****Purpose/Charge:**

The purpose of the Audit and Risk Committee (the "Committee") is to assist the Board of Trustees in fulfilling its fiscal and risk management oversight responsibilities.

**Membership:**

1. The Committee shall consist of a minimum of seven individuals comprised of:
  - two trustees, one of whom will serve as Committee Chair; and
  - five individuals external to the Calgary Board of Education and independent of the Calgary Board of Education. The meaning of independence is as defined in National Instrument 52-110 Audit Committees.
2. The external Committee members will be appointed to the Committee by the Board of Trustees based on their expertise in the areas identified in the Committee's skills matrix set out in Appendix I.
3. The term of appointment for the external Committee members shall be for three years, renewable to a maximum of nine years. To ensure continuity of leadership, the expiration terms of the external Committee members will be staggered.
4. Each external Committee member shall serve at the pleasure of the Board of Trustees, who reserve the right to terminate any appointment.
5. The trustee members, including the Committee Chair, will be appointed annually at the Board of Trustees' Organizational meeting.

**Meetings:**

1. The Committee will meet regularly, not less than four times a year, and may meet at such other times as required by the Committee Chair.
2. The Chair of the Committee shall establish the agendas for meetings, ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting, and be responsible for reporting to the Board of Trustees.
3. A majority of the members of the Committee shall constitute a quorum. One trustee must be present at all Committee meetings.
4. The Chief Financial Officer, members of Administration and the Corporate Secretary may attend all meetings of the Committee, except where the Committee agrees to meet in camera with only the external auditors present.

**Reporting Schedule:**

1. The Committee Chair or his/her designate shall report to the Board on matters arising at Committee meetings. The Committee Chair shall report at least quarterly to the Board of Trustees on the Committee's responsibilities and how it has discharged them.
2. Minutes of all meetings of the Audit and Risk Committee shall be provided to the Board of Trustees by the Chair and filed with the Board of Trustees for the corporate record and indicate at least the following information:
  - date and place of meeting;
  - attendees; and
  - record of Committee recommendations.

**Roles and Responsibilities:**

1. The Committee shall have the responsibilities set out in Appendix II as well as any other matters as may be delegated to the Committee by the Board from time to time.
2. The Committee and each of its members shall comply with such additional requirements as may be specified in the *Education Act* and in resolutions of the Board in effect from time to time.

**Authority Over Division Resources:**

The Committee shall have no authority over The Calgary Board of Education resources; this is the responsibility of the Board of Trustees.

Adopted: June 21, 2022

**Appendix I**

**Calgary Board of Education Board of Trustees  
Audit and Risk Committee Members Skills Matrix**

<b>External Audit and Risk Committee Members</b>	<b>Financial Management/ Accounting/ Audit</b>	<b>Financial Planning</b>	<b>Internal Audit</b>	<b>Risk Management</b>	<b>Corporate Leadership</b>	<b>Public Sector/ Not for Profit Experience</b>	<b>Government Affairs/Public Policy</b>
<b>Individual Competency Average</b>							
<b>Overall Competencies Average:</b>							

**Rating Scale for Skills Matrix Competencies**

- 1 – None/low (little to no experience)
- 2 – Basic (limited knowledge)
- 3 – Intermediate (practical understand)
- 4 – Proficient (in depth understanding, applied theory)
- 5 – Expert (significant experience, would be seen as a subject matter expert)

**Appendix II**  
**Audit and Risk Committee**  
**Roles and Responsibilities Calendar**  
 ✓ When Performed

Roles and Responsibilities	Quarterly	Annually	As Required
<b>External Auditors</b>			
1. Make recommendations to the Board with respect to the appointment of the external auditors.			✓
2. Review with the external auditors their annual audit plan, as well as associated fees and costs, and make recommendation(s) to the Board of Trustees.		✓	
3. Review any non-audit services provided or to be provided by the external auditors and the costs thereof including any impact such services may have on the independence of the external auditors, and make recommendation(s) to the Board of Trustees.	✓		
4. Receive confirmation in writing from the external auditors regarding their independence.		✓	
5. Annually evaluate the performance of the external auditors.		✓	
<b>Financial Statements</b>			
6. Review the CBE's audited financial statements including Management's discussion and analysis and make recommendation(s) to the Board of Trustees.		✓	
7. Review the external auditor's annual findings report including any significant problems encountered in performing the audit, the contents of any Management letters issued by the external auditors and Management's response thereto, and any unresolved significant		✓	

<b>Roles and Responsibilities</b>	<b>Quarterly</b>	<b>Annually</b>	<b>As Required</b>
issues between Administration and the external auditors that could affect the financial reporting of the Division			
8. Review the Division's unaudited quarterly financial variance reports and financial health matrix with particular attention to the presentation of unusual or sensitive matters such as disclosure of significant non-recurring events, significant risks, changes in accounting principles, and estimates or reserves, and all significant variances between comparative reporting periods.	√		
<b>Consulting Services</b>			
9. Review any non-audited services, internal controls, fraud or risk management services, performed by the external auditor including any significant recommendations from the external auditor and make recommendation(s) to the Board of Trustees.			√
10. Review any internal controls, forensic audit, fraud, or risk management services performed by an external service provider including any significant recommendations from the external service provider, and make recommendation(s) to the Board of Trustees.			√
<b>Risk Management</b>			
11. Review the Division's risk appetite and risk tolerance levels, assessment of risk levels compared to established tolerance levels, and make recommendation(s) to the Board of Trustees.		√	

Roles and Responsibilities	Quarterly	Annually	As Required
12. Review the Division's risk management framework including processes in place to identify, prioritize, assess, monitor, manage and mitigate significant risk exposures, including appropriate risk management policies, procedures and controls.		√	
13. Review the Division's risk report of current and emerging risks including the nature and magnitude of significant risks to which the Division is exposed, and keep the Board apprised of any significant changes in risk levels and emerging risks.	√		
<b>Other</b>			
14. Review Administration reports on any significant or unusual events or transactions that could have a material impact on the financial statements or that could adversely affect the well-being of the Division.			√
15. Review the Audit and Risk Committee Terms of Reference once every year to ensure its continued relevance and appropriateness, and make recommendation(s) to the Board.		√	