



## Audit Committee Charter

### 1. Purpose

The purpose of the Audit Committee (the “Committee”) is to oversee CPAB’s financial reporting to the public, CPAB’s internal controls and risk management systems, the external audit of CPAB’s financial statements and the external auditor.

### 2. The Committee

The Committee shall be composed of at least four members of the Board of Directors. Members shall have a degree of financial literacy considered appropriate by the Board.

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed. A Chair will be appointed by the Board, failing which the members of the Committee may designate a Chair by majority vote. The Committee may from time to time delegate to its Chair certain powers or responsibilities that the Committee itself may have hereunder.

### 3. Meetings

The Committee shall meet at least twice annually, once to receive the audit plan and again to receive the annual financial statements of CPAB. A quorum shall consist of two members.

### 4. Duties and Responsibilities

#### 4.1. Financial Reporting

The Committee shall be responsible for the oversight of financial reporting to the public that is reliable and clear, including reviewing CPAB’s annual financial statements and management’s discussion and analysis, prior to approval by the Board and release to the public. It will recommend the annual financial statements to the Board for approval and for presentation on behalf of the Board to the Provincial Audit Regulator Members and to the Council of Governors at their annual meetings.

#### **4.2. Internal Controls and Risk Management**

The Committee shall monitor the internal controls and risk management systems of CPAB to ensure the necessary checks, balances and processes are in place.

#### **4.3. External Audit**

The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of CPAB's annual financial statements. Management is responsible for the preparation, presentation and integrity of the CPAB's financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The Audit Committee oversees the financial reporting process at CPAB and the results of the external audit.

#### **4.4. Oversight of External Auditors**

The external auditor reports directly to the Audit Committee. The Board has authorized the Committee to review and evaluate the performance, qualifications and independence of the external auditor and annually make recommendations to the Board to recommend to the Provincial Audit Regulator Members regarding the nomination of the external auditor. The Committee shall review the auditor's annual audit plan and engagement letter. The Board has authorized the Committee to make recommendations regarding remuneration and, if appropriate, termination of the external auditor. The Committee will meet privately with the external auditor at least annually.

#### **4.5. Independence of External Auditors**

The Committee shall oversee and assess the independence of the external auditor through various mechanisms, including:

- Reviewing and approving the audit fees and other significant compensation to be paid to the auditor;
- Reviewing and approving any non-audit services with the external auditor and with participating audit firms in excess of \$50,000,
- Receiving from the external auditors, on a periodic basis, a statement delineating all relationships between the external auditor and CPAB consistent with Canadian professional standards for auditors; and
- Reviewing and discussing annually with the Board, and the external auditor, any relationships or services between the external auditor and CPAB or any factors that may impact the objectivity and independence of the external auditor.
- Confirming the external auditor is independent from all participating audit firms.

#### **4.6. General**

The Committee shall have the following additional general duties and responsibilities:

- Reviewing expense summaries of the Chair of the Board, Chief Executive Officer, Vice President and General Counsel, and Chief Financial Officer;
- Reviewing and assessing the adequacy of this Charter annually;
- Maintaining minutes or other records of meetings and activities of the Committee;
- Reporting to the Board following each meeting of the Committee;
- Overseeing risk management at CPAB including reviewing the annual Information Technology Risk Management Report and the annual Privacy Officer's Assessment of Controls Over Private and Confidential Information;
- Establishing procedures for the receipt, retention and treatment of complaints concerning accounting, internal controls or auditing matters; and
- Performing such other functions and tasks as may be mandated by the Committee or delegated by the Board.

#### **5. Powers**

- The Committee shall have the authority to delegate tasks to a sub-committee.
- The Committee shall have the authority to conduct any investigation and access any officer, employee or agent of CPAB as necessary and appropriate to fulfilling its responsibilities.
- The Committee shall have the authority to retain its own experts and independent counsel, and may authorize the compensation to be paid by CPAB for the experts and independent counsel.