



Audit Committee

Terms of Reference

1. Committee Type

- Standing

2. Mandate

- The Audit Committee provides oversight for the annual audit of EJHS, including financial statements, internal controls and accounting standards.

3. General Committee Responsibilities

- Provide a recommendation to the Board of Directors with respect to the appointment of the independent financial audit
- Review the findings provided by the auditor and engage the relevant parties in assessing and implementing such findings
- Determine whether the performance of the external audit is satisfactory, effective and meets the requirements of EJHS
- Review Terms of Reference annually

4. Appointments and Composition

- The Committee is composed of:
 - EJHS Treasurer
 - At least two other members of the Board, selected by the Board
 - EJHS Director, Finance as an ex-officio member
 - EJHS CEO
- The Chairperson must be a Board member
- Members must have no relationship to the external auditors
- Members should be financially literate and have experience interpreting financial statements

5. Terms of Appointment

- Committee members will be appointed by the Board for one-year terms
- Vacancies on the Committee will be filled by the Board as necessary
- The Treasurer and DoF are default committee members

6. Key Responsibilities

Board Representative Responsibilities

- Review the audited financial statements and reports, and recommend their approval or disapproval to the Board
- Inform the Board of significant financial developments identified through the audit
- Ensure committee work plans are in place and monitor
- Discuss with the administration and external auditor:
 - All proposed changes in accounting policy
 - Compliance with accounting standards
 - Adjustments arising out of the audit process and related party transactions, and
 - All estimates or judgements of administration that may be material to financial reporting

Staff Representative (DoF)

- The DoF provides staff support to the Committee and the external auditor

7. Meetings

- The Committee meets as required to support audit work
- Motions are carried by a majority vote; the Committee Chair will vote in the event of tie
- Written notice of meetings, including agenda and any other pertinent information to make informed decisions, will be sent to Audit Committee members in advance of the meeting
- EJHS by-laws shall apply to all standing committees, including the Audit Committee
- Decisions made by the Committee must be ratified by the Board

8. Resources

- The DoF is the main resource for the Audit Committee, as well as the CEO
- EJHS Finance staff will be available as necessary to answer questions and provide the Committee with copies of any financial records or financial statements

9. Annual Objectives

- The Committee will consider its annual goals at its September or October meeting

10. Reports and Target Dates

- The Committee will provide a written report to the Board once a year, or otherwise as directed by the Board.

11. Review and Evaluation

- The committee's term aligns with the board's calendar year, running from September through June. At the beginning of their term, around September or October, the audit committee will convene to evaluate their goals, reflect on insights and lessons from previous audits, and review their Terms of Reference (ToR). They will also make a decision on whether to issue a Request for Proposals (RFP) during their term. Regular market reviews are recommended not just to explore alternative services but also to remain informed about current market rates. The outcomes of this meeting, such as any changes to the ToR or the decision to issue an RFP, will be presented to the Board at its next regular meeting. Towards the end of the committee's term, in April or May, a meeting will be held to compile lessons learned over the year, covering audit findings, management's engagement, and the audit firm's performance. These insights will be documented for the benefit of the committee in the following year.