

# Audit Committee

## TERMS OF REFERENCE

---

### **Mandate:**

The role of the Audit Committee is to provide oversight of the audit process. This includes providing oversight independent of OLA Staff, liaising with the auditor, reviewing the auditor’s report, and reporting to the OLA Board of Directors.

### **Responsibilities/Objectives:**

The Audit Committee shall have the major responsibility of overseeing OLA’s financial statements. Specifically, the Audit Committee shall have the following responsibilities:

1. The Audit Committee shall be responsible for reviewing all financial statements including the investment results, annual statements, and interim statements and shall report thereon to the Board for consideration and approval.
2. The Audit Committee shall be responsible for resolving any conflict between the External Auditor and Management and therefore may require a separate meeting or in camera meeting excluding the OLA staff.
3. The Audit Committee shall annually review the qualifications, independence, effectiveness, and tenure of the External Auditors, and report on the results of this review if, or when, recommending the appointment of the External Auditors to the Board.
4. The Audit Committee shall annually review the Audit Engagement Letter with the External Auditors. This review shall include a discussion of any specific risk areas identified by the External Auditors, the Audit Committee, Management, or the Board.
5. The Audit Committee shall annually review the financial policies, and the internal controls associated, documented by Management, and tested by Internal Audit Services.

Whenever possible, at least two (2) members of the Audit Committee shall possess financial expertise. All of the members of the Audit Committee shall be financially literate, or acquire such financial literacy within a reasonable period. Financial literacy is defined as having the ability to read and understand financial statements.

### **Deliverables:**

The integrity of OLA’s financial statement and financial reporting process:

- The effectiveness of OLA’s internal control framework and information systems.
- The oversight of OLA’s external auditors.

**Composition:** The Audit Committee is comprised of:

1. OLA Treasurer of the Board (Chair)
2. OLA President of the Board
3. OLA Past President of the Board
4. Volunteers from no less than three OLA divisional councils.

The purpose and composition of the OLA Audit committee is to ensure the audit review oversight may be conducted independently of staff. However, the following staff provides support to the Audit Committee:

- OLA Executive Director
- OLA Director, Operations (Secretary)
- OLA Accountant

**Resources and budget:**

Teleconference fees.

**Timelines**

The Audit Committee meets once per year. Committee members are confirmed no less than two weeks in advance of the meeting.

**Type of Committee:**

- ❖ **Standing Committee** (responsible for a specific program or function)
- Task Forces** (time-limited tasks on a specific topic)
- Action Groups** (development of a limited program or activity)

**Term of Appointment:**

The composition changes each fiscal year with the exception of:

- OLA Treasurer (this is a 2 year term)
- The incoming President and Past President (outgoing) for transparency and continuity.

