

**Audit and Risk Committee
Terms of Reference
(Last updated June 2020)**

1. Mandate

The Audit and Risk Committee's mandate is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the organization's standards of integrity and behaviour, reporting of financial information, risk management oversight and management control practices.

2. Membership

The Audit and Risk Committee will consist of at least 3 members selected from the Board of Directors. The Board of Directors will select one individual to sit as the Chair of the Audit and Risk Committee.

3. Eligibility

Members of the Board of Directors are eligible to sit on the Audit and Risk Committee.

4. Terms of Service

Committee members are appointed by the Board of Directors for a one year term, to a maximum of three years.

Each committee member has one vote. Where there is a tied vote, the Chair of the Audit and Risk Committee will cast the deciding vote.

5. Roles and Responsibilities

The Audit and Risk Committee is responsible for:

- a) The oversight of the relationship with external auditors:
 - i) when appropriate, inviting proposals from audit firms in order to assess the auditors who would best serve the BAO and recommending their appointment;
 - ii) reviewing the work of the auditors;
 - iii) reviewing and approving the auditors' appointment or reappointment terms of engagement and compensation;

- iv) reviewing and approving the scope of the annual audit set out in the audit engagement letters and any special areas of concern;
 - v) monitoring the independence and performance of the auditors;
 - vi) reviewing management's representation letter to the auditors;
 - vii) reviewing the audit opinion;
 - viii) reviewing and recommending appropriate corrective action as recommended by the auditors in a timely fashion;
 - ix) reviewing the BAO's draft annual audited financial statements and the auditors' report including discussing significant issues regarding accounting principles and practices, and management estimates and decisions;
 - x) recommending to the Board of Directors the audited financial statements for approval; and
 - xi) reviewing documents related to the audited financial statements and the auditors' report prior to filing with and/or distribution to external parties.
- b) The oversight of implementation of the policies and practices of the BAO related to standards of integrity and behaviour including:
- i) conflict of interest policies and procedures by which adherence is monitored; and
 - ii) policies and procedures related to procurement and awarding of contracts of material amounts.
- c) The oversight of the implementation of the BAO's management controls including:
- i) reviewing the quality of the financial reporting process;
 - ii) monitoring the effectiveness of the BAO's systems and practices of internal controls and the sufficiency of internal audit practices; and
 - iii) reviewing the effectiveness of the BAO's organizational risk management.

6. Meetings

The Audit and Risk Committee members will meet as needed and upon the request of the Board of Directors.

Meetings may be held in person, by teleconference or other such communication method that allows all participants equal access to communicate with one another.

A quorum of the majority of Audit and Risk Committee members is required for executing the business of the committee.

7. Communications Protocol

Unless approved by the Board of Directors, members of the Audit and Risk Committee will not communicate the activities or decisions of the Audit and Risk Committee publicly.

The Audit and Risk Committee may conduct in-camera sessions during their meetings to discuss confidential matters.

8. Access to Bereavement Authority of Ontario Staff Resources

The Audit and Risk Committee will be supported by one or more designated BAO staff members.

9. Expenses

Expenses incurred by the Audit and Risk Committee will be reimbursed according to the BAO's Expense Policy and Board Remuneration Policy.

Financial expenditures required by the committee require pre-approval by the Board.

10. Amendment, Modification or Variation

This Terms of Reference may be amended, varied or modified by agreement of the Board of Directors.

Best efforts will be made to review this Terms of Reference on an annual basis, at the first committee meeting of each year.