

Terms of Reference of the Risk Management and Audit Committee

Purpose and Duties

1. The Risk Management and Audit Committee meets at the request of the Board or the Chair to monitor the Association's financial management and reporting. The committee acts as a conduit for information and accountability among the Board, Board committees and external auditors. It oversees all financial policies and programs, including the TRO annual conference.
2. The Risk Management and Audit Committee is obliged to act on any other matters assigned by the Board.

Membership

1. The Risk Management and Audit Committee includes:
 - 1.1. The Secretary-Treasurer as Chair.
 - 1.2. The President Elect, or an appointed or elected board member(s) as Vice-chair(s).
 - 1.3. One or more members of TRO appointed or elected by the Board of Directors.
2. A quorum of the committee is three committee members, with one being the Chair or Vice-chair. In the event a member is not capable of personally carrying out their powers and duties, the Committee can continue to deal with its core business.

Terms of Office; Appointment, Reappointment and Termination of Membership

1. The Board will appoint the Secretary-Treasurer as the Chair, and the President Elect as the Committee's Vice-chair.
2. The Vice-chair will act on behalf of the Chair in the latter's absence.
3. The Board will appoint committee members for a one-year term.
4. A Committee member continues to hold office after their term, until the member is re-appointed or a successor is appointed.
5. The Board may make temporary appointments to the Committee, to fill vacancies in committee membership, until a formal request for committee membership and selection process has been initiated and successfully concluded.
6. Committee members will normally be appointed by the Board's second meeting following the Annual General Meeting.

Duties and Responsibilities of the Chair, Vice-chair and Members

The Committee Will:

1. Provide Financial Reporting

- 1.1. Review and recommend for approval the annual audited financial statements, including a determination that appropriate accounting methods have been used.
- 1.2. Oversee financial reporting processes to ensure compliance with legislation and ensure policy development.
- 1.3. Review the operating budget, business risks, explanations of variances, and propose remedial actions if necessary.

2. Organize External Audits

- 2.1. Define the scope of the external audit and its efficiency, cost effectiveness and objectivity. This includes review of the audit engagement letter and the Association's response, and making recommendations to the Board.
- 2.2. Monitor the annual audit's progress, make inquiries and receive reports.
- 2.3. Ensure that areas of concern noted by the external auditor are satisfactorily addressed.
- 2.4. Make a recommendation to the Board on the best-qualified auditor for the coming fiscal year, and the anticipated expense.
- 2.5. Receive reports and letters from government agencies and their parties on financial and related accountability issues, and ensure responses and resolutions are reported to the Board.

3. Guide Risk Management

- 3.1. Review major contracts to ensure compliance with Board policies.
- 3.2. In conjunction with the board, determine the potential revenue generation of activities and ventures.
- 3.3. Make inquiries and request reports and/or consultation to obtain reassurance that the Association's internal controls and performance monitoring systems are acceptable
- 3.4. Advise the Board on a timely basis of all financial matters and potential risks that may affect the Association's viability.

4. Investment

- 4.1. Procure investment advice/consultation to support investment decisions.
- 4.2. Formulate draft investment policies as required, for review by the Board.
- 4.3. In accordance with Board policies, make investment decisions on the Board's behalf.

5. Sign Cheques

5.1. In accordance with Board Policies, the Chair or designate will be one of the signatories on all payments. Another Board member will be the second signatory.

6. Other Responsibilities

6.1. Deal with any matter, unless the Board has specifically entrusted this matter to another Standing Committee.

6.2. Prepare documents or reports for the Board or members' consideration.

Reviewed: December 2013

To be reviewed: December 2015