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	Terms of Reference-Audit Committee		
Date Issued: March 2023 Date Review/Revised: 2024-02-05 Next Review Date: March 2025			
Owner: Common Board of Directors (Common Board)	Reviewer(s): Governance & Nominating Committee		Approver: Common Board of Directors (Common Board)

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Except as expressly stated to the contrary herein, these Terms of Reference apply to both the Alexandra Marine & General Hospital (AMGH) and the South Huron Hospital (SHH). AMGH and SHH are referred to individually and collectively as the Hospital.

Policy / Purpose

To act on behalf of the HHS Common Board of Directors (“the Common Board”) in overseeing all material aspects of financial reporting, internal controls, the internal audit function, and the external audit of the annual financial statements.

Objectives / Responsibilities

To the extent that the Common Board delegates these governance responsibilities to the Committee, the Committee is responsible for the following duties:

Audit Responsibilities

- Assume responsibility for the integrity of the Corporations’ internal control and management information systems
- Recommend to the Common Board the auditors for the Corporations to be appointed by the Members annually
- Review and make recommendations to the Common Board concerning auditor’s remuneration
- Meet with Auditors to review scope of audit and subsequently approve Auditor's Engagement Letter
- Oversee performance of audit as required, including ensuring the Auditors are receiving assistance of management
- Review the annual Financial Statement and Auditor's Report and make recommendations to the Common Board prior to the Annual Meeting of the Corporations
- Act as a liaison between the Common Board and the Auditor
- Meet with the Auditor to receive and review recommendations with respect to management, accounting systems and internal control issues and to consider any matters the Auditor believes should be brought to the attention of the Committee

- The Committee members shall meet with the external Auditor, in-camera (without any staff members), at least annually to discuss, at a minimum, their audit experience and observations with regard to internal controls
- Review Management's response to recommendations of Auditor and report to the Common Board, as appropriate
- Oversee implementation of Auditor's recommendations
- Review and make recommendations on the quality and integrity of management's internal controls, including scope of work of the internal auditor and overseeing management's response and resulting action plans to address issues or deficiencies identified by internal auditor.
- Address any other audit issues as referred by the Common Board of Directors.

Membership (maximum of 12)

- Chair of the Common Board (non-voting)
- 1st Vice-Chair of the Common Board
- 2nd Vice-Chair of the Common Board
- Treasurer of the Common Board
- President & CEO (ex officio, non-voting)
- Common Board Members (1-2 individuals)
- Community Members (1-2 individuals with financial experience)(non-voting)
- VP Corporate Services/Chief Operating Officer(non-voting)

Chairperson(s)

- Treasurer of the Common Board to act as Chair
 - Call all meetings of the committee
 - Chair all meetings of the committee
 - Designate another director who is a member of the committee to chair the committee in the Chair's absence

Recorder

Executive Assistant to the President & CEO

Terms of Appointment

Based on Board Member Term of Office

Community members appointed for a three (3) year term

Quorum

Majority of the voting membership

Frequency of Meetings

The Committee shall meet at least 2 times per year or at the call of the Chair.

Meeting Venue

AMGH, SHH or Virtual Platform, i.e., MS Teams or WebEx, as required

Meetings or proceedings may be recorded by audio or video means to ensure meeting minutes and document accuracy. Recordings are deleted after the meeting minutes have been prepared.

Notice of the time and place of committee meetings shall be given to the external auditor.¹ The external auditor shall be entitled to attend committee meetings and to be heard, and shall attend every committee meeting if requested to do so by a committee member.²

Circulation

Minutes are circulated to all HHS Common Board/Committee members

Reporting Relationship

HHS Common Board of Directors

Confidentiality

In the course of committee business, confidential information may become known to committee members. Members have a responsibility to keep such information confidential.

Conflict of Interest Statement

All HHS Common Board and committee members have a duty to ensure that the trust and confidence in the integrity of the organizations' decision-making processes are maintained. Members will ensure that they are free from conflict, potential, or perception of conflict in their decision-making. It is important that all HHS Common Board and committee members be held accountable to understand and acknowledge their obligations when a conflict of interest, potential or perceived, arises.

Approval Process	Governance & Nominating Committee:
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² ONCA, s. 80(2).