

Terms of Reference

AUDIT and RISK MANAGEMENT COMMITTEE

Purpose

The purpose of the Audit and Risk Management Committee is to oversee the effective utilization and safeguarding of all Perley Rideau assets in the fulfillment of the Perley Rideau's mission and the sustainability of its financial health. Its focus is risk management.

Composition and Meetings

The Audit and Risk Management Committee shall be composed of at least four (4) directors. The Treasurer of the Corporation shall Chair the Committee, and it shall meet at least six times per year.

Committee Responsibilities and Function

The **major responsibilities and functions** of the Audit and Risk Management Committee are to:

1. Oversee the Perley Rideau's long term plans dealing with resource management approved by the Board including:
 - a. Financial planning, with particular emphasis on sustainable funding;
 - b. Capital planning;
 - c. Human resource planning;
 - d. Technology and Information Management Systems planning; and
 - e. Physical asset utilization.

2. Oversee the complete annual cycle for budgeting and resource allocation, including:
 - a. Reviewing the objectives and assumptions underlying the preparation of the annual operating budget;
 - b. Reviewing management's budget proposal for capital and operating revenues and expenditures for the ensuing fiscal year; and
 - c. Reviewing proposals from management regarding non-budgeted operational revenues and capital expenditures that would have a material effect on the approved budget.

3. Identify and monitor the principal risks and liabilities that could impact on the viability of the Corporation, including:
 - a. Defining quantitative indicators to be employed by the Board to assess the Corporation's financial health;
 - b. Monitoring compliance with all relevant legislated financial requirements;
 - c. Reviewing all Board policies and decisions regarding finances once a year;
 - d. Reviewing the types and amounts of insurance to be carried by the Corporation at least once a year.
4. Confirm that management has in place appropriate personnel policies, systems, and procedures for the effective management of all Human Resources at the Perley Rideau.
5. Oversee the conduct of a regular program of financial audit, including:
 - a. Recommending the appointment of an external corporate auditor;
 - b. Reviewing the auditor's audit plan;
 - c. Reviewing the audited statements with the auditors and then with management; and
 - d. Recommending approval of the Corporation's audited Annual Financial Statements.
6. Provide the Executive Committee with:
 - a. Annually, the corporate objectives it proposes to focus on; and
 - b. An annual report assessing the progress of the Audit and Risk Management Committee.
7. Make recommendations to the Board with respect to any of the above matters and carry out any other duties assigned to it by the Board.

Approved by the Board of Directors on the 05th day of March, 2009.

Chair of the Board