
District Conference Audit Review Committee Terms of Reference

Purpose

The District Conference Audit Review Committee (the "Committee") helps to ensure that the organization's accounting and reporting practices are of the highest quality and assists the DEXCOM in fulfilling its fiduciary responsibilities. The Committee reports to the DEXCOM and to District Conference.

Composition and Membership

The Committee shall be composed of a minimum of five members. Of these, at least three shall be District members (i.e. members in good standing of Local Churches in the Canadian Pacific District of The Christian & Missionary Alliance in Canada) who have been elected by District membership at a District Conference. Two shall be DEXCOM members, including the Treasurer and one additional DEXCOM member appointed annually by the DEXCOM Chair.

It is expected that Committee members as a group will generally be financially literate and at least one of the members elected by District Conference should have a financial designation or relevant financial management expertise.

Each District Conference elected member shall be free of any relationship that could interfere with their independent judgment in this role.

District Conference-elected Committee members shall serve for a term of two years and a maximum of three (3) consecutive terms and will be eligible for election after a break of one year.

For District Conference-elected members, the term of office begins at the conclusion of the District Conference at which the member is elected.

~~The Committee Chair, who must be a Committee member elected by District Conference, shall be appointed by the DEXCOM Chair.~~ **In accordance with the *Policy on District Organization*, the District's Treasurer is Chair of the Committee.**

If the number of District Conference elected members falls below three (3), the DEXCOM Chair must appoint a District member to serve until the next District Conference.

Committee Functioning

The quorum for the transaction of business at a Committee meeting is a simple majority of Committee members.

When a quorum is present at a meeting, a resolution will require a simple majority vote of those members present to be passed.

The Chair presiding at any meeting of the Committee shall have a vote in all matters considered by the Committee.

The Committee may appoint an acting secretary to perform the functions of the secretary at that meeting.

Meetings may be face-to-face or be virtual meetings or conference calls.

Voting by mail or another means of communication, including by fax, email, or other electronic means is authorized in principle. All Committee members must agree to vote on any particular matter via an email ballot or other means or the vote on the item reverts to being held during a meeting, virtual or face-to-face.

Committee members shall be reimbursed by the District Office for reasonable expenses incurred for Committee work (e.g. mileage).

Scope

The Committee shall help ensure the integrity of the financial information used by the DEXCOM and made available to the District membership as well as the general public. The Committee interacts on behalf of the DEXCOM and District membership with the independent auditors, management, and the DEXCOM Finance Committee. This requires open communication with the financial management of the organization.

The scope of the Committee's responsibilities includes the following:

- Financial Reporting
- Accounting Policies
- Risk and Uncertainty
- Controls and Control Deviations
- Compliance with Laws and Regulations
- Relationship with the Independent Auditor

Other Responsibilities as may be assigned by the DEXCOM or District Conference from time to time.

Responsibilities

1. Meet with the independent auditors and the Director of Finance prior to the commencement of the annual audit to review the scope and timing of the forthcoming audit, as well as any other pertinent issues. These matters are to include, but are not limited to, the review of the following:
 - a) How the auditor plans to address the significant risks of material misstatement, whether due to fraud or error.
 - b) How the auditor plans to address areas of higher assessed risks of material misstatement.
 - c) The auditor's approach to the District's system of internal control.
 - d) The application of the concept of materiality in the context of the audit.
 - e) If applicable, the nature and extent of specialized skill or knowledge needed to perform the planned audit procedures or evaluate the audit results, including the use of an auditor's expert.
 - f) If applicable, the auditor's planned approach to addressing the implications on the individual statements and the disclosures of any significant changes within the applicable financial reporting framework or in the District's environment, financial condition, or activities.
 - g) Other planning matters that it may be appropriate to review with the independent auditors such as:
 - i) The appropriate person(s) in the District's governance structure with whom to communicate.
 - ii) The allocation of responsibilities between those charged with governance and management.
 - iii) The District's objectives and strategies, and the related operating risks that may result in material misstatements.
 - iv) Matters that the DEXCOM and/or District Conference consider warrants particular attention during the audit, and any areas where they request additional procedures to be undertaken.

- v) Other matters that the DEXCOM and/or District Conference considers may influence the audit of the financial statements.
 - vi) The attitudes, awareness, and actions of those charged with governance concerning (a) the District's internal controls and their importance, including how the effectiveness of internal controls are overseen, and (b) in regard to the detection or possibility of fraud.
 - vii) The actions of those charged with governance in response to developments in accounting standards and governance practices and related matters, and the effect of such developments on, for example, the overall presentation, structure and content of the financial statements.
2. Meet with the independent auditors at the conclusion of the audit to review a draft copy of the audited financial statements. During that meeting the Committee shall also undertake the following:
- a) Determine that the financial statements are in compliance with the current *Accounting Standards for Not for Profit Organizations (ASNPO)* as published by the Chartered Professional Accountants of Canada as well as evaluate the overall presentation, structure and content of the financial statements, including the disclosures.
 - b) Recommend in consultation with the Director of Finance, changes to the draft financial statements as deemed necessary by the Committee.
 - c) Review the management (recommendation) letter received from the independent auditors from the previous year to ascertain its implementation, and review with the independent auditors their recommendations and significant findings for the current year.
 - d) Review with the independent auditors the adequacy and effectiveness of the District's internal accounting controls and fiscal policies. Review management's assessment of internal controls.
 - e) Determine if the integrity of all funds is protected and that resources for donor-restricted gifts are separately maintained.
 - f) Determine if the District has complied with tax and financial reporting laws and regulations.
 - g) Review management's evaluation of the computer backup procedures, off-site storage of backup data, and the adequacy of protection against fire, theft, etc.

3. Once the Committee has completed its work with the independent auditors, provide the draft audited financial statements to the DEXCOM with its recommendation about whether or not to approve the draft audited financial statements.
4. Provide minutes of all Committee meetings to the DEXCOM. These minutes are to include any recommendations made to the Committee by the independent auditors as well as any accounting and/or reporting practices recommendations the Committee is making to the DEXCOM.
5. Annually, the Committee will submit a summary report to the DEXCOM about the Committee's activities during the past year. This report is to include the independent auditor's communication reporting key audit matters including significant findings. This report is also to be provided to District members at the Annual Meeting.
6. Recommend to the District membership the appointment of auditors for the ensuing year after reviewing the audit proposal(s) including proposed fees for the ensuing year.
7. Hold any additional meetings at any time as deemed necessary by the Committee Chair or as requested by any Committee member or the independent auditor.

Adopted May 2015
Amended April 2021

Committee Timetable

The timetable for the Committee’s activities is reflected in the calendar set out below:

District Conference Audit Review Committee Annual Calendar

Task	Timeframe
Meet with the independent auditors and the Director of Finance prior to the commencement of the annual audit	Before the 14 th of February
Meet with the independent auditors at the conclusion of the audit	Before the 21 st of March
Provide to the DEXCOM the draft audited financial statements for its review and approval, with the Committee’s recommendation in regard to same	Before the 31 st of March
Prepare and submit the annual summary report to the DEXCOM and for the District members at the Annual Meeting	Before the 31 st of March
Recommend to the District membership the appointment of auditors for the ensuing year after reviewing the audit proposal(s) including proposed fees for the ensuing year	Before the 31 st of March
Hold additional meetings	As deemed necessary by the Committee Chair or as requested by any Committee member or the independent auditor
Provide minutes of all Committee meetings to the DEXCOM	<p align="center">For all meetings held between the commencement of the annual audit and the completion of the annual audit, by March 31st</p> <p align="center">For all other meetings outside of the above timeframe, within two weeks after each respective meeting</p>