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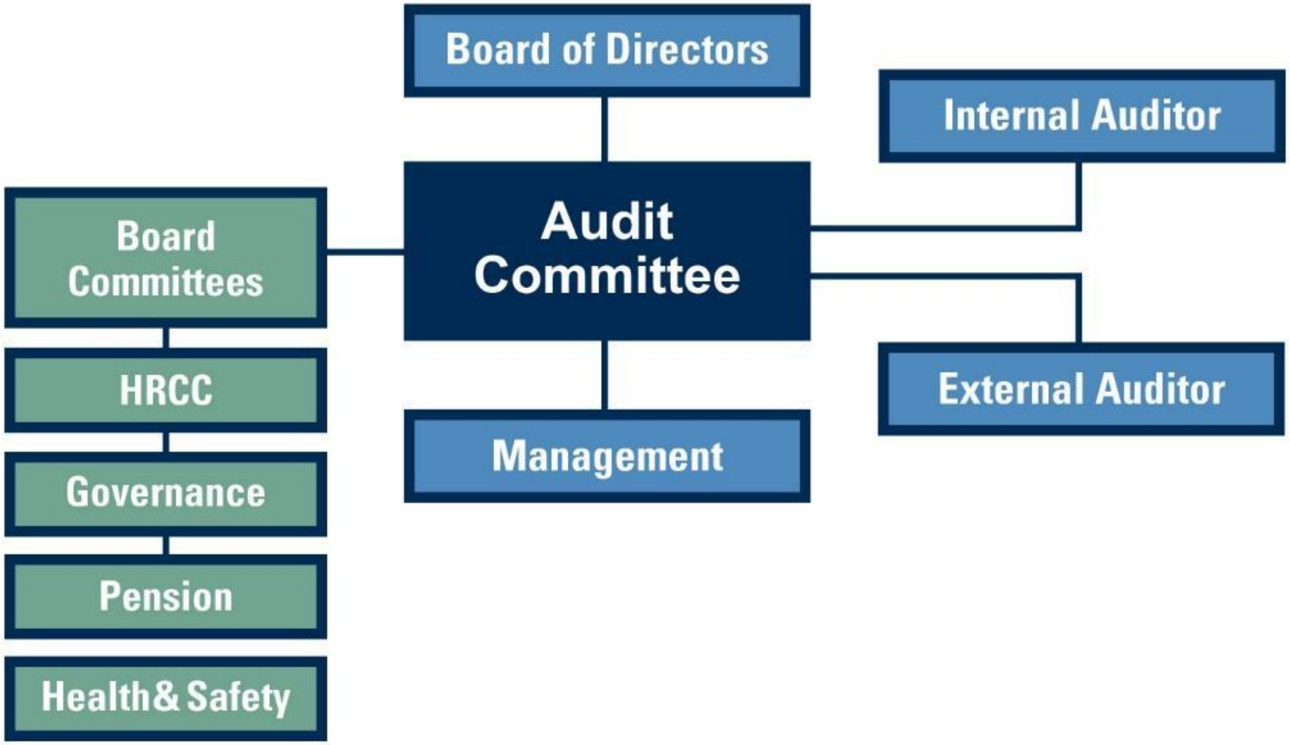
ROLE/ RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee is the only board committee required by law for public firms in Canada.

(NI-52-110)

1 ROLE/RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee’s Connections



1 ROLE/RESPONSIBILITIES OF THE AUDIT COMMITTEE

Audit Committees have evolved from ensuring compliance by management to becoming forward looking and driving efficiencies.

Quality and Credibility of financial reports and controls	Driving improved productivity and efficiencies	Monitoring risks on behalf of the Board

Source: KPMG Audit Committee Survey 2014

1 ROLE/RESPONSIBILITIES OF THE AUDIT COMMITTEE

The key areas of responsibilities for an Audit Committee include:

➡ The Audit Committee should have a written charter outlining its mandate and responsibilities

2 COMPOSITION OF THE AUDIT COMMITTEE

Some clearly defined rules apply to Audit Committees with respect to composition and member qualifications.

Committee size
Directors only
Independent
Financially literate

3 THE ROLE OF THE CHAIR

MEETINGS

Chairs all meetings

REPORTING

Reports to the full Board on the activities of the Audit Committee

LIAISON

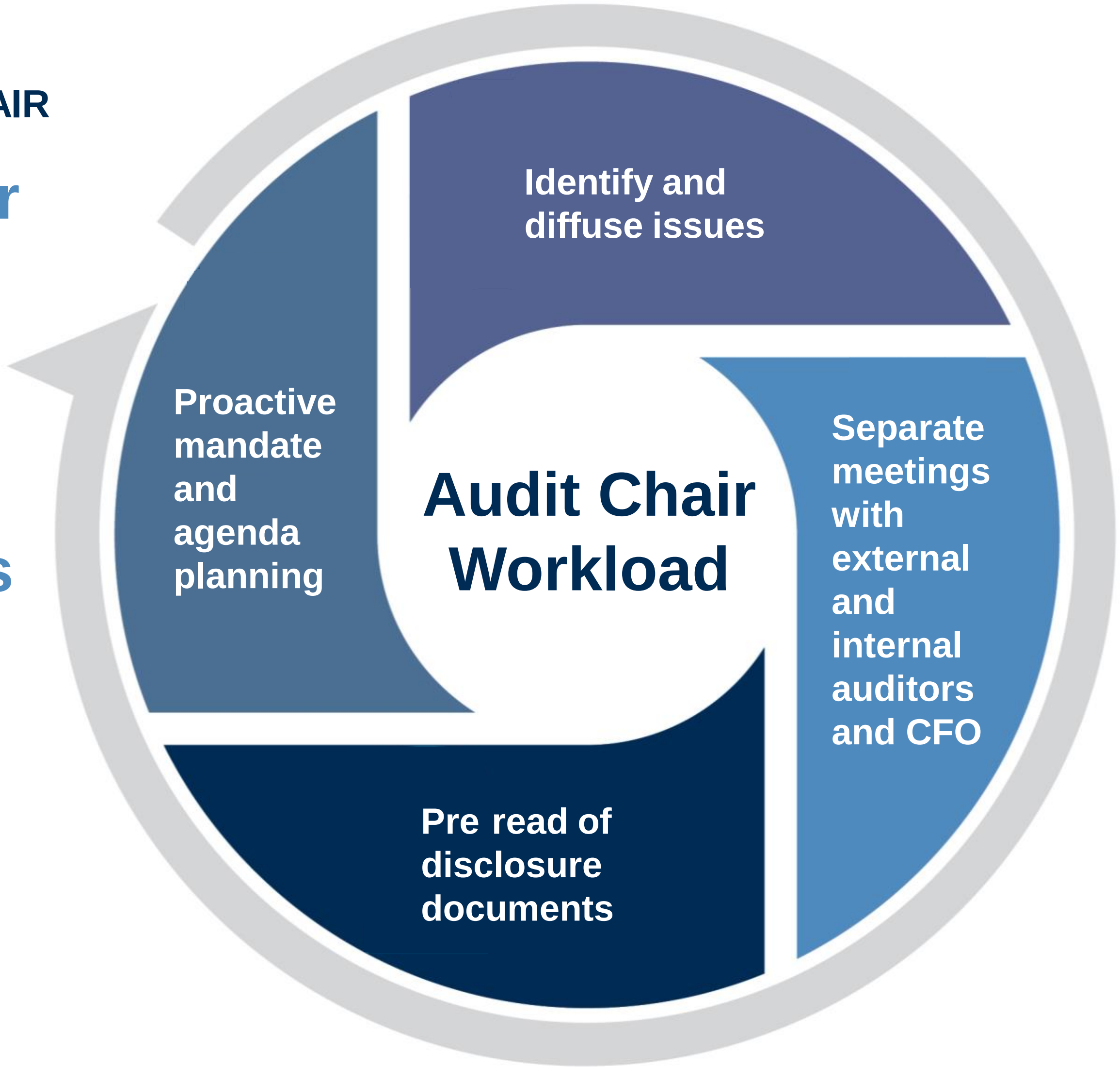
Between management, internal and external auditors

AGENDA

Develops annual planner, agenda for meetings

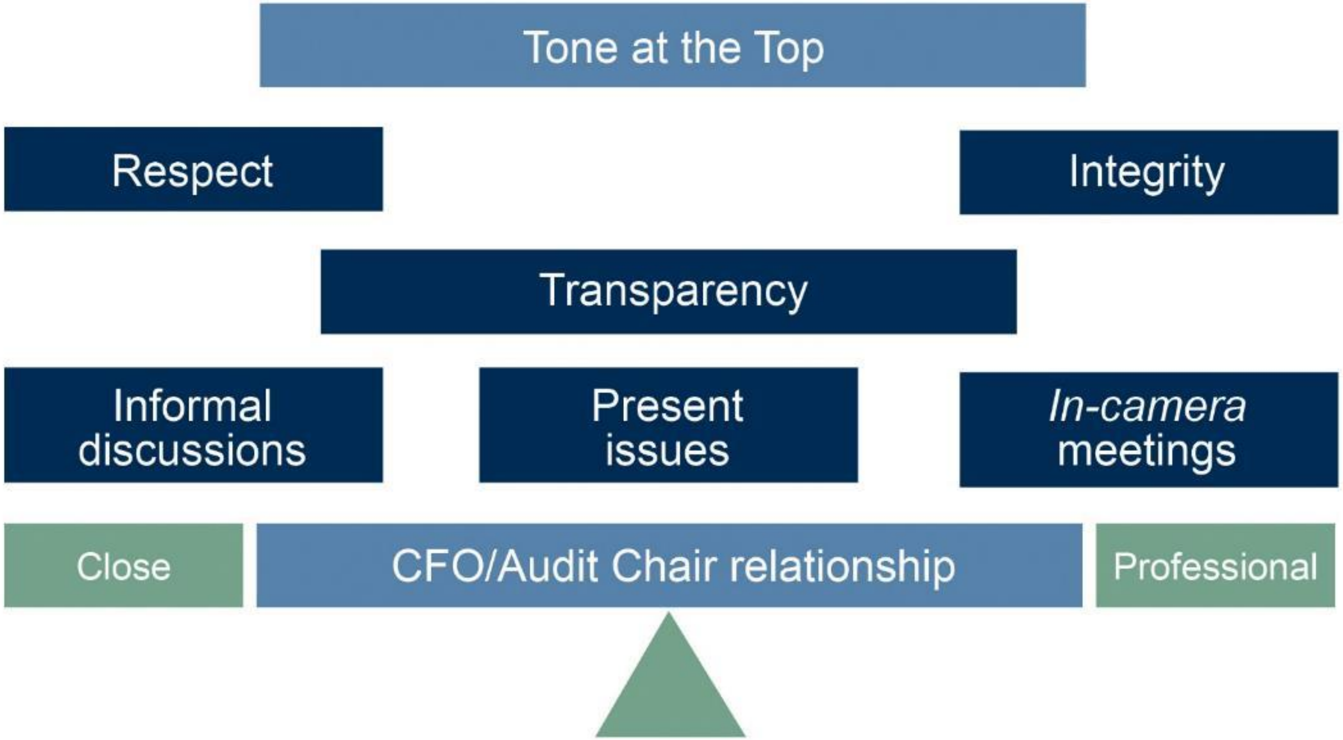
3 THE ROLE OF THE CHAIR

The work load for the Audit Committee chair is typically heaviest of all committee chairs



3 THE ROLE OF THE CHAIR

The Audit Committee Chair is the primary point of contact between the committee and the CFO



4 WHAT MAKES AN EFFECTIVE AUDIT COMMITTEE AND CHAIR?

Highly effective Chairs have the following:

- Ability to commit the time
- Demonstrated leadership skills
- Ability to build multiple relationships with advisors and stakeholders
- Seeks out divergent views and diversity of thought through inclusive discussions
- Ensures transparency among committee members and with all stakeholders
- Understanding of GAAP/GAAS