



# ATTAINABLE HOMES CALGARY CORPORATION

## Audit & Accountability Committee

Terms of Reference # 1  
Effective Date Oct 2010

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### 1. Purpose

The Audit & Accountability Committee ("Committee") shall be a Committee of the Attainable Homes Calgary Corporation (AHCC) Board, responsible for stewardship of AHCC's finances. The Committee has oversight responsibility and makes recommendations to the Board on:

- A. The integrity of AHCC's financial statements;
- B. Annual budgets;
- C. Financing arrangements; and
- D. The adequacy and effectiveness of internal controls.

### 2. Responsibilities

Management, together with the Board and the Committee, is responsible for setting the proper tone, creating and maintaining a culture of honesty and high ethical standards and establishing appropriate controls to ensure sound financial decision-making, accurate financial reporting, and to prevent and detect fraud.

To achieve reliable financial statements, internal controls must be in place to ensure that

- A. Records accurately and fairly reflect transactions in, and disposition of, AHCC assets;
- B. Records of transactions are sufficient to prepare financial statements in accordance with Canadian generally accepted accounting principles;
- C. Receipts and expenditures are properly authorized; and,
- D. Steps are in place to prevent and detect irregularities that could have a material effect on AHCC's financial statements;
- E. Report to Board after each meeting.

In fulfilling its responsibilities, the Committee shall in connection with its advisory functions:

- F. Review and recommend for approval by the Board quarterly and annual financial statements and reports of AHCC;
- G. Review and recommend for approval by the Board, AHCC's financial and accounting policies;
- H. Review the results of the annual audit and make recommendations thereon to the Board;
- I. Oversee the work of the external auditors engaged for the purpose of preparing or issuing an audit report or related work;



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- J. Review and bring for approval by the Board, the annual budget of AHCC and any revisions thereto, including:
- Reviewing the financial impact of new or changed projects and proposals subsequent to the Board's approval of annual budgets and, where practicable prior to their presentation to the Board for consideration, and make recommendations to the Board; and
  - Reviewing and recommending to the Board in respect of those financial obligations and undertakings above;
- K. Review and recommend for approval by the Board, all financial information prepared for public distribution;
- L. Review the operations effectiveness of the systems of internal control over financial reporting;
- M. Review recommendations from the external auditors for internal control improvement, management's consideration thereof and, as appropriate, implementation and results;
- N. Review compliance with all applicable finance and audit legal and regulatory requirements;
- O. Review and make recommendation to the Board regards AHCC's risk management procedures and controls, including:
- The maintenance of appropriate insurance;
  - Discussing significant business and financial risks with the external auditors, including their assessment of management's related plans, processes and programs;
  - Paying particular attention to large, complex and/or unusual transactions, including joint ventures, partnerships and other contractual arrangements, and the associated accounting treatment and financial statement disclosures;
- P. Review accounting practices and financial control policies; and
- Q. Review AHCC's performance measures for alignment to the desired outcomes of the AHOP.

In fulfilling its responsibilities, the Committee shall in connection with the exercise of its powers:

- R. Oversee financial risk management and assess internal controls;



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- S. Evaluate the results of external audits and related matters, review and approve auditor fees, including advance approval of any non-audit services performed;
  - T. Meet at least twice a year with the external auditors; once to review the audit plan and once to receive it and report to the Board on such meetings. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed in camera, including fraud, illegal acts, deficiencies in internal control and similar issues;
  - U. Review financial results and have the right to inspect all of the accounts and records of AHCC and to discuss those accounts and records with AHCC's management, the Board and the Auditors;
  - V. Communicate the Committee's expectations regarding the external auditor's performance and evaluate the auditor's past performance;
  - W. Review the audit plan of the external auditor of AHCC and inquire as to the extent the planned audit scope;
  - X. Review as required the adequacy and effectiveness of internal controls over the accounting and financial reporting systems within the Corporation including management's response to the internal control recommendations of the external auditor;
  - Y. Review any changes in accounting policies and financial impact thereof and review any major areas of management judgement and estimates that have a significant effect upon the financial statements; and
  - Z. Review annually with management material covenants in credit and loan agreements.

### 3. Membership

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The Committee shall be comprised of one Committee Chair, and a minimum of one (1) other member elected by the Board and will serve for two consecutive years. It is a requirement that Committee Members are Board Members and the Chair is elected at the January AHCC Board meeting annually. The Chair of the AHCC Board may attend any meeting at their discretion as an ex-officio. The President and CEO is a non-voting ex-officio member of the Committee.

### 4. Authority and Accountability

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The Committee is responsible to the Board and makes recommendations to the Board, as required:

- A. The Committee shall report regularly to the Board on its activities.



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- B. The Committee, in consultation with the Board Chair, shall have the authority to direct and supervise the investigation of any matter brought to its attention within the scope of its duties.
  - C. The Committee shall review its terms of reference as needed and at least annually and recommend changes as necessary.
  - D. The Committee shall review its effectiveness annually.

### 5. Meetings

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- A. The Committee shall meet quarterly. Any two members of the Committee may request a special meeting at any time;
  - B. The Committee may require the attendance of the AHCC Executive Director/President & CEO, other AHCC staff or accountant engaged by AHCC (non-voting) at meetings as appropriate;
  - C. A simple majority of Committee members constitutes quorum for the Committee;
  - D. Each member of the Committee has one vote;

### 6. Resources

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The Committee shall be provided with the resources necessary to carry out its responsibilities. The Committee may retain such advisors and consultants as it deems necessary to assist the Committee in discharging its responsibilities.



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### Approval, Review, Revisions

Approval Date	Approved By	Originated By	Review / Revision Details
October 14, 2010	Board of Directors	Sharon McCormick	Terms of Reference
September 13, 2012	Board of Directors	Board of Directors	New Position/Title– President & CEO
May 9, 2013	Board of Directors	Marion Shill	Change the frequency of external auditor meetings from once to at least twice/year.
May 9, 2013	Board of Directors	Marion Shill	Change the frequency of the committee meetings from annually to at least quarterly
July 12, 2013	David Watson	David Watson	Formatting Changes