

CHC Audit and Risk Management Committee 2019 Workplan

MEMBERSHIP: As approved by motion at the CHC Board.

CALENDAR AND MEETINGS:

Meeting schedules will correspond with the calendar of the Auditor and otherwise at the call of the Chair.

MANDATE:

The Audit and Risk Management Committee (the “Committee”) is established as a committee of the Board. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing:

- I. the external audit process;
- II. the financial information that will be provided to the Board and the shareholder and to the public; and
- III. the systems of internal controls and integrated risk management framework and assessment that the President and the Corporate Finance and Risk Officer (CFRO) have established.

To oversee the development, implementation and monitoring of appropriate corporate risk strategies relative to legislative compliance, legal/statutory and business requirements.

DUTIES AND RESPONSIBILITIES:

The committee will perform the following activities:

A. External Audit

- i. Provide an open avenue of communication between the auditor and the Board;

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- ii. Review and approve the external audit plan prior to commencement of the audit;
- iii. Consider and review with the President, the CFRO and the auditor:
- iv. The adequacy of the Corporation's internal controls including computerized information system controls and security;
- v. Management letters and any related significant findings and recommendations of the auditor together with the President and CFRO responses.
- vi. Review with the President, the CFRO and the auditor at the completion of the annual examination:
 - a) The Corporation's annual financial statements;
 - b) Any changes in accounting policies and practices, and compliance with accounting standards;
 - c) Major judgmental areas;
 - d) Significant adjustments arising from the audit;
 - e) The findings of the auditor's audit of the financial statements and their report;
 - f) Any significant changes to the audit plan;
 - g) Any other matters related to the conduct of the audit that are to be communicated to the Committee under public sector accounting standards.
- vii. Review other published documents and consider whether the information contained in them is consistent with the information contained in the annual financial statements;
- viii. Meet separately with the President, the CFRO, and the auditor as required to discuss any matters that the Committee or these groups believe should be discussed privately.

B. Financial Statements and Other Financial Information:

- i. Review and recommend to the Board for approval the annual Operating and Capital budgets of the Corporation;
- ii. Ensure that the annual Operating and Capital budgets of the Corporation support the approved Business Plan of the Corporation by ensuring the business plan actions are considered and funded where fiscally feasible;
- iii. Review, approve and provide to the Board the quarterly financial statements of the Corporation;
- iv. Review and recommend to the Board for approval the annual audited Financial Statements and other financial information that will be provided to the Shareholder;
- v. Review and recommend to the Board for approval the four-year Financial Forecast (on cycle).

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C. Risk Management and Internal Control:

- i. To develop, implement and monitor a risk management framework for CHC;
- ii. Inquire of the President, the CFRO, and the auditor (where necessary) about significant risks or exposures and assess the steps the President and CFRO have taken to minimize such risk;
- iii. Require that the President and the CFRO provide appropriate assurances of compliance addressed to the Committee outlining their activities to ensure compliance with key regulatory requirements and internal control practices.

RESOURCES NEEDED:

The CHC CFRO, appropriate staff and consultants to advise on risk management and audit matters, as well as staff to document meetings and create reports as directed by the committee.

ACCOUNTABILITY:

The Committee is accountable to the CHC Board only.

ACCESSIBILITY:

Issues may be brought to the Committee through the audit process, from the Board, or through management.

COMMUNICATION:

The Committee will communicate to the Board through reports at regular meetings, and the Committee will also communicate directly with the auditor on behalf of the Board.

DECISION POWERS:

The Committee will forward its recommendations to the CHC Board on all matters brought before it.

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EVALUATION:

The Committee will review its terms of reference and effectiveness no later than each year-end.

COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities during the year.

ANNUAL WORKPLAN AUDIT AND RISK MANAGEMENT COMMITTEE

A. External Audit	Q1	Q2	Q3	Q4
Review and approve the external audit plan				✓
Consider & review with the President, CFRO, and the auditor: a) The adequacy of the Corporation's internal controls including the computerized information systems controls and security b) Management letters and any related significant findings	✓			
Review with the auditor: a) Annual financial statements b) Any changes in accounting policies and practices c) Significant adjustments arising from the audit. d) The findings of the audit e) Any significant changes to the audit plan	✓			

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f) Any other matters related to the conduct of the audit				
B. Financial Statements and Other Financial Information	Q1	Q2	Q3	Q4
Review and recommend to the Board for approval the annual Operating and Capital budgets				✓
Ensure that the annual Operating and Capital budgets support the approved business plan				✓
Review, approve and provide to the Board for information the quarterly financial statements including vacancy information and investment reporting		✓	✓	✓
Review and recommend to the Board for approval the annual audited financial statements and other financial information provided to the Shareholder	✓	✓		
Review and recommend to the Board for approval the four-year budget and financial forecast (on cycle)			✓	
D. Risk Management and Internal Control	Q1	Q2	Q3	Q4
Review and receive for information the annual Integrated Risk Management report. Forward the report to the Board to be received for information.		✓		
Inquire of the President, the CFRO, and the auditor (where necessary) about significant risks or exposures and assess the steps taken to minimize such risk	✓	✓		
Review information and internal control systems			✓	

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Receive for information the annual vendor contract spending (over fifty thousand dollars) report	✓			
Review the outstanding legal claims report	✓			
Bring a recommendation forward on the future application of Maximum Income Limits (MIL)	✓			
Receive for information the Procure2Pay Report on Status of Implementation				✓
Review annually the CHC Investment policy and recommend any required changes. Forward to the CHC Board the CHC Investment policy annually if changes are recommended by ARM committee.		✓		
Other	Q1	Q2	Q3	Q4
Review Committee Terms of Reference				✓
Review and approve the annual work plan				✓