



**Association of Professional Geoscientists of Ontario  
Audit and Compensation Sub-Committee  
Terms of Reference**

**Mandate**

The Audit and Compensation Committee is a Subcommittee of the Finance Committee, a Standing Committee of the APGO. The Audit and Compensation Subcommittee is charged with the oversight of the accountability of financial matters of the Association on behalf of Council.

**Functions and Responsibilities**

- Represents Council in overseeing the establishment and implementation of appropriate accounting policies and internal financial controls
- Oversees and assesses the financial risks of the Association
- Recommends to Council annual appointment of auditors in March of each year for approval by membership in June Annual General Meeting
- Provides independent oversight of audit
- Annually provides oversight and review of all incentive compensation plans for reasonability and provide to Council

**Outcomes and Deliverables**

- Annually report to Council on appointment of auditors
- Annual review of auditor's work plan
- Review of auditor's report, auditing standards and audited financial statements presented by Finance Committee and recommend to Council for approval
- Review recommendations from Executive Committee regarding staff bonuses and provide input and recommendations to Council
- Review recommendations from Executive Committee regarding the Executive Director and Registrar's compensation package and provide input and recommendations to Council
- Annual review of policies and/or guidelines of the Association as related to the mandate and responsibilities of the Audit and Compensation sub-committee and provide input and recommendations to Council
- Annual review of the allocation and contribution to the Association's Contingency Reserve Fund and other funds presented by Finance Committee and recommend to Council for approval
- Provision of an Annual Report to Council by February 28 following the December 31 year end

## **Operational Considerations**

- Meetings of the Audit Committee will be held at least once a year
- A majority of the committee members constitutes a quorum
- The Audit Committee, through the Committee Chair, shall report periodically to Council as deemed necessary, but at least once a year
- Minutes of meetings should be prepared and delivered to the Executive Director and Registrar of the APGO and to Committee members within 30 days of said meeting being held

## **Status and Authority**

- The Audit and Compensation Committee is a sub-committee of the Finance Committee, however, by virtue of its mandate, it functions independently by reporting directly to Council
- The Committee has the authority to call upon expert advice it determines is appropriate to enable the Committee to satisfy its responsibilities and meet its objectives

## **Composition/Organization**

- The Audit Committee will consist of at least two people or such greater number as Council may from time to time determine
- A majority of the Audit Committee members shall be “independent”. A member of the Committee is independent if the member is not a member of the Executive Committee or the Finance Committee
- At least one committee member has to be a non-member councillor
- A member of the Audit Committee shall *ipso facto* cease to be a member of the Committee upon ceasing to be a Councillor or a member of the Association
- Members of the Audit Committee must be financially literate
- Members of the Committee will be subject to rotation as determined by Council

## **Review**

- The Terms of Reference of the Audit Committee shall be reviewed at least once every three years or as mandated by the Finance Committee

## **References**

APGO By-law No. 7 – Standing Committees of Council  
APGO By-law No 1 – Business  
Terms of Reference – Finance Committee