



Audit and Risk Management Committee Terms of Reference

Current Chair:

Current Members:

Current Staff Liaisons:

Purpose of the Committee:

Based on the Board goals for a governing year, develop and implement an annual work plan to appoint an external auditor and oversee the audit process.

Responsibilities of the Committee:

Pre-Audit:

- Review all of the CREA's critical accounting policies and all major issues regarding accounting principles and financial statement presentations
- Recommend to the Board of Directors, the selection, appointment, compensation, retention, and termination of the CREA's external auditor
- Prior to commencement of the annual audit work, review with the external auditor the plan and required documentation
- Oversee the corporation's asset and risk management
- Monitor procedures and policies for the receipt, retention and treatment of complaints received by the CREA regarding accounting, internal accounting controls or auditing matters

Post-Audit:

- Review with management and external auditor any significant issues, concerns or difficulties encountered during the course of the audit
- Discuss guidelines and policies to govern the process by which risk assessment and risk management have been and are handled

Risk Management

- Provide oversight on identifying, assessing and to the extent possible mitigating corporate risk
- Provide an oversight role of the risk management systems and processes as well as continuously reviewing both the planning and outcomes of such processes



- Key activities involve:
 - Identifying risks
 - Analyzing, validating, and prioritizing them
 - Determining risk tolerance and risk appetite
 - Managing risks through various response strategies
 - Ongoing monitoring
- Discuss with management all of the key activities
- Report to the Board of Directors any potential unmitigated risks

Accountability:

The Audit and Risk Management Committee is accountable to the Board of Directors

Committee Membership:

Up to 7 Committee members comprised of:

- 3 Directors (one of which shall be from the Finance Committee and one whom shall be Chair and a majority of whom are not officers or employees of the corporation or any of its affiliates)
- 3 additional members who may be REALTOR® members or Staff Representatives
- 1 external expert (who shall be an accountant with a professional designation)

Membership Criteria:

1. Have an interest in asset and risk management
2. Have knowledge, skills and/or competency in financial controls
3. Bring a strategic perspective to financial monitoring
4. Be committed to, interested in and passionate for financial stewardship
5. Have knowledge, skills and/or competency in audit procedures
6. Have availability for expected time commitment

**Voting:**

Business arising at any meeting of this committee shall be decided by a majority of votes. The Committee Chair shall not have a vote except in the case of a tie. No Committee member shall be entitled to vote by proxy.

Quorum:

A quorum shall consist of more than 50% of the voting membership of the committee.

Resources:

Resources and support services will be provided through the office of the CEO, as approved by the Board of Directors.