



## **Terms of Reference for the Audit and Finance Committee**

### **1. Purpose**

The purpose of the Audit and Finance Committee (the “Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities by considering, reviewing and advising on the:

- A. Work plan development process, budget planning and monitoring progress
- B. Financial information that will be provided to the Board
- C. Systems of internal controls and financial policies established by Council staff and the Board; and
- D. Appointment of Council auditors and review of the audit process and results

### **2. Composition and Operations**

The Committee shall consist of three or more members appointed by the Board, one of who shall be designated Committee Chair. The Council CEO and Accountant are ex-officio members of the Committee.

Where possible, committee members shall have accounting or related financial expertise.

A quorum will be constituted when fifty per cent of voting committee members are present. If quorum is not present, decisions made by the committee must be subsequently ratified when a quorum is present, or by distributing the decision by email or fax to the Committee members and requesting endorsement. The Board of Directors must be advised when a decision cannot be ratified by the Audit & Finance Committee.

### **3. Meetings**

- A. The Committee shall meet at least four times each year and otherwise as necessary
- B. The Corporate Secretary will be secretary to the Committee
- C. The Committee Chair is responsible for the following:
  - (i) preparation of the agenda for Committee meeting;
  - (ii) providing direction to management on behalf of the Committee
  - (iii) transmitting to the Board materials generated by the Committee, including Committee minutes; and
  - (iv) reporting to the Board on the activities and recommendations of the Committee

#### **4. Duties & Responsibilities**

Subject to the powers and duties of the Board, the Committee will perform the following duties:

##### **Finance Responsibilities**

The Committee will review and recommend to the Board for approval:

- A. Financial statements and performance reports for the Board
- B. The annual and long-range budgets, plans and financial forecasts
- C. Financial policies and systems to guide the financial affairs of the Council
- D. Major financial contracts that have been forwarded to the Committee for review
- E. Council's signing authorities and expenditure limits

##### **Audit Responsibilities**

The Committee will review and report to the Board for approval:

- A. The selection process and compensation for the External Auditor
- B. The external audit process, ensuring it has been effectively carried out
- C. Any matter the external auditors wish to bring to the attention of the Board
- D. The Council's external audit results, audit management letter and management's response to any weaknesses identified
- E. Any Council financial audits that may from time to time deem necessary

##### **Other**

- A. Recommend to the Board any reports on audit and finance that may be required or considered advisable.
- B. At the request of the Board Chair or the Board, undertake such other audit and finance initiatives as may be necessary or desirable to contribute to the success of the Council.
- C. Annually, review and evaluate the Terms of Reference and the Committee's performance and report its evaluation and any recommendations for change to the Governance Committee
- D. Oversee investments of the Council.

**5. Accountability and Authority**

A. The Committee shall keep written records of its meetings and report its discussions to the Board by oral or written report at Board meetings.

In fulfilling its mandate, the Committee will have the authority to:

B. Request appropriate funding as determined by the Committee to carry out its duties

C. Communicate directly with the Council's Accountant and any member of senior management as the Committee deems appropriate