



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 and budget planning
- B. Financial information that will be provided to the Board
- C. Systems of internal controls 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 Audit and Finance Committee members are appointed by the Board with recommendations from the Governance Committee. The Committee shall be composed of a minimum of three directors appointed by the Board, one of who shall be designated Committee Chair. Membership on the Committee may also include a non-Board director with an accounting designation. The Council CEO and Director of Finance are ex-officio members of the Committee.

Newly appointed committee members shall receive on-boarding from the CEO and Director, Finance to assist with fulfilling oversight responsibilities. Where possible, committee members shall be “financially literate” (*able to read and understand a balance sheet, income statement and cash flow statement*).

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 two times each year and otherwise as necessary
- B. The Director of Finance 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 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 beyond the delegation of authority of the CEO will be 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 has been given adequate attention
- 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 deemed 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. Annually, review the cyber security breach response and advise the Board on any recommendations on the current cyber security exposures and future cyber risk strategies.

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. Access appropriate funding as determined by the Committee to carry out its duties
- C. Communicate directly with the Council's Director of Finance and any member of senior management as the Committee deems appropriate