

Finance and Audit Committee

Terms of Reference

Purpose

The primary function of the Finance Committee (the “Committee”) is to oversee the budget process, the audit and auditor related processes, and the financial reporting and management obligations of Council to ensure they represent a complete, accurate and balanced picture of the organization’s financial circumstances. The Committee also reviews and recommends updates to accounting, information technology and risk management policies, systems and practices for adequacy and effectiveness. In addition, the Committee reviews delegated financial approval authorities to ensure appropriate internal controls and oversight.

The Finance and Audit Committee oversees the budget, audit, financial reporting and management obligations of the Council, providing recommendations and advice to assist the Council in meeting its fiduciary responsibilities.

Statutory Authority

The Committee is a Council Committee established pursuant to section 82(1) of the *Real Estate Services Act*.

Committee Composition and Meetings

i. Committee Composition

The Committee consists of the Council Chair and at least two other members of the Council appointed by the Chair and Vice-Chair. The Committee Chair is also appointed by Council Chair and Vice-Chair, and must not also be the Council Chair.

Committee members should be independent and financially literate. At least one member of the Committee should have a financial designation or relevant financial management expertise.

ii. Staff support

The Committee is supported by the Executive Officer and the Director, Accounting & Audit. The Council’s Corporate Secretary is the secretary to the Committee and provides administrative support to the Committee, including minute taking.

iii. Member appointments and terms

Committee member appointments are reviewed annually by the Chair and Vice-Chair. Committee appointments are for a specified term, usually for two years. All appointments, including the Committee Chair's, are renewable.

iv. Meetings

Committee meetings are at the call of the Committee Chair. The Committee usually meets at least 10 days before each meeting of the Council.

The Committee Chair sets the agenda for Committee meetings with input from other Committee members and the Executive Officer.

Quorum for any meeting of the Committee is a majority of the members of the Committee, who may be attend in person and/or by electronic means.

Roles and responsibilities

The Committee will:

1. Reviews the annual budget prepared by staff and, if appropriate, recommends its acceptance to the Council;
2. Reviews monthly and/or quarterly financial statements and financial reporting to government and other stakeholders;
3. Reviews annually and recommends updates to financial approval authorities for revenues, disbursements, reserves, and expenditures including capital, technology and long-term liabilities, ;
4. Reviews and approves quarterly financial reports (Appendix C) and budget forecasts submitted to the Ministry of Finance in accordance with *Public Sector Accounting Standards*;
5. Reviews and recommends to Council the appointment of the Council's external auditor, overseeing the terms of reference and ensuring the auditor's independence;
6. Reviews the audited financial statements with the Executive Officer and the auditors at the conclusion of the audit and makes recommendations to Council;
7. Reviews the auditor's Management Letter and ensures that any recommendations are dealt with in an expeditious manner;

8. Periodically reviews and approves systems of financial and enterprise risk management and internal controls established by Council staff to support the accuracy and integrity of financial and performance reporting;
9. Recommends to Council or staff any updates to accounting policies, practices and systems essential to the Council to ensure management of operational risk and the safekeeping of all assets;
10. Recommends to Council any amendments to investment policies and strategies;
11. Reviews and recommends updates on any other matters that assist the Council to fulfill its financial accountability and oversight responsibilities, including the application of legislative, regulatory or other financial requirements; and
12. Reviews and provides recommendations to Council on any matters or issues referred to the Committee by Council.

Accountability

The Committee reports its recommendations by distributing minutes of its meetings to Council and, where appropriate, providing an oral report at the next Council meeting.

At the request of the Council, the Committee may also prepare an annual work plan and/or an annual report to Council outlining the Committee's activities for the year.

Approved by: Council

Last reviewed: November 2018