

5.2 Committees – Terms of Reference

5.2.1 Finance & Audit Committee

BOARD OF DIRECTORS FINANCE & AUDIT COMMITTEE - TERMS OF REFERENCE

1.0 Preamble

The Finance & Audit Committee (FAC) is a Standing Committee of the Board of Directors. The FAC shall from time to time review the presentation of the financial position and results of operations of the organization and make reports and recommendations to the Board concerning the finances of the organization. Recommendations may relate to the preparation of the annual budget, the management of the organization's capital funds, and the long-term financial plans for the organization.

2.0 Mandate

To oversee the financial health of the corporation by ensuring that appropriate controls and accountabilities exist with respect to finance and areas of material risk.

3.0 Scope

Financial Statements, Financial Management, and Reporting.

For example:

- 3.1 Review and recommend the Annual Business Plan (submissions) including operating revenues and expenditures.
- 3.2 Monitor, review, and report the financial statements, variances and statistical information on a quarterly and annual basis,
- 3.3 Recommend annually the appointment of the auditors.
- 3.4 Review and evaluate the performance and independence of the auditor.
- 3.5 Review and accept the audit plan; review and approve fees for audit services in accordance with Board policy.
- 3.6 Meet with the auditors to review the findings of the audit including any difficulties encountered, weaknesses in internal controls, the auditor's management letter. and the administrative response to the letter.
- 3.7 Meet with management during the year on their action to the management letter coming from the annual audit.
- 3.8 Meet with the auditor and management in separate in camera sessions to discuss any matters the Committee or these groups believe should be discussed privately with the Committee.
- 3.9 At least once a quadrennial, conduct a review to ensure appropriate financial systems and controls are in place.
- 3.10 Review and make recommendations to the Board regarding the annual audited financial statements.
- 3.11 Periodically review the need for an internal audit and, should an internal audit function be implemented, oversee the process;
- 3.12 Report on and recommend policies related to finance and investments.
- 3.13 Oversee a risk analysis / management process.

Risk Management

For example:

3.10 Receive regular reports from the CEO on areas of significant risk to the CAC, for example but not limited to legal claims, environmental issues, health, safety, and other regulatory issues.

3.11 Receive regular reports from the CEO on the levels on insurance coverage.

3.12 Oversee management's establishment of an adequate system of internal controls and procedures and effective performance of those internal controls and procedures. FAC may receive periodic reports from management on internal control questions/issues.

Inform and advise the Board on financial matters as requested

4.0 Reporting Relationships

The FAC reports on significant issues through the Chair of the Committee to the CAC Board of Directors.

5.0 Chair

The FAC Chair shall be appointed by the Chair of the CAC Board of Directors from the membership of the Committee.

6.0 Recording Secretary

The Chief Executive Officer of the CAC shall designate a staff resource to support the work of the Committee who will act as the recording secretary for all meetings. All meetings shall be recorded, and minutes circulated to the Committee.

7.0 Frequency of Meetings

The FAC shall meet a minimum of four (4) times per year. Meetings may be in person or via teleconference.

8.0 Quorum

A quorum shall be a majority of the members.

9.0 Authority

The FAC has the authority to interpret and apply Board-approved policies. The Committee has the authority to use the resources assigned to it by the CAC Board for meetings and other activities related to its deliverables, including consulting services.

The Committee does not have the authority to instruct the CEO or any other staff members other than to request information required to complete its mandate.

10.0 Decision Making

Decisions shall be made by simple majority of FAC.

11.0 Appointment

Members are appointed annually by the Board. Membership of the Committee shall be no fewer than 3 and no more than 6.

Criteria for selection to FAC might include:

- Credibility
- Willingness to commit the necessary time and effort to the Committee
- Understanding of the process required to fulfill the mandate
- Relevant experience

12.0 Circulation of Minutes:

Minutes are circulated to Committee members.

13.0 Amendments

These Terms of Reference were prepared by the Licensing/Registration Committee and were approved by the CAC Board on June 6, 2014. The Board will review these Terms of Reference on a regular basis, with input from the Committee as required.

Review date	Action	Board approval date
	The Governance Review Committee terms of Reference were approved by the CAC Board.	June 6, 2014
	Governance Review Committee, nomination: Paul Carson (Chair), Manon Landry-Ouellette (member), Martin Cl��roult (member)	June 6, 2014
	Amended.	September 22 nd 2014
	Governance Review Committee, retiring member: Martin Cl��roult New member: Monica Lockie	June 5, 2015
	Format modification.	October 8, 2015