

## SPORT FOR LIFE TERMS OF REFERENCE

TITLE: TERMS OF REFERENCE FOR FINANCE AND AUDIT COMMITTEE	
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### 1. PURPOSE

Primary responsibility for the Society's financial reporting, accounting systems, risk management, budget approvals and internal controls

The Committee provides guidance and makes recommendations to the Board for approval which assist the Board in fulfilling its oversight responsibilities relating to the above processes, as well as the audit process.

### 2. COMPOSITION

- A. The Committee will be composed of not less than two and not more than four board members and one Senior Staff of the organization (CEO). Additional staff and expertise from the greater community can be sought to add knowledge and skill to the Committee and do not have voting privileges.
- B. The members of the Committee shall be appointed by a resolution of the Board. Each member of the Committee shall continue to be a member thereof until a successor is appointed, unless the member resigns or is removed by the Board or the member otherwise ceases to be a director of the Society. The minimum term duration of a committee member shall be 2 years with no maximum term. Where a vacancy occurs at any time in the membership of the committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than one (1) director as a result of the vacancy.
- C. Employees and past employees must have a minimum lapse of one full term (3 years) prior to serving on a Board or Committee.
- D. By design, the Committee will recruit members with the required financial/audit knowledge to monitor the ongoing finances of the Society.
- E. The Board, or in the event of its failure to do so, the members of the Committee, shall appoint a Chair from among its members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.
- F. The Chair presiding at any meeting of the Committee shall have a vote in all matters considered by the Committee. The CEO will have a vote in all matters considered and

will be counted for quorum. In the event of a tie, the matter shall be referred to the Board as a whole for decision.

- G. A Vice chair shall act as a delegate for the chair. If the vice chair is not a member of the Board of Directors, then the vice chair will get a special invite to attend the board meeting.

### **3. DUTIES AND RESPONSIBILITIES**

The Committee shall be charged with the following advisory functions, duties and responsibilities with respect to **Finance**:

- A. Reviewing and recommending for approval of the Board, the Society's annual business plan and budget;
- B. Reviewing quarterly interim financial statements and forecasts and recommending their approval or non-approval to the Board;
- C. Reviewing annually the principle risks associated with the Society's operations and insurance coverage relating to those risks; and
- D. Reviewing major investments or divestitures by the Society, including capital expenditures and major acquisitions or dispositions of significant assets.

The Committee shall be charged with the following advisory functions, duties and responsibilities with respect to **Risk Management**:

- A. Reviewing quarterly the risk register and management's interpretation of the risks faced by the organization and bringing those forward to the Board.
- B. The Risk Register is presented to both the F&A and Governance committee with the oversight of the risk management process being the responsibility of F&A committee.

The Committee shall be charged with the following advisory functions, duties and responsibilities with respect to **Audit**:

- A. Reviewing the annual audit plan with the external auditor and management;
- B. Reviewing the annual audited financial statements with management and the external auditor, and recommending their approval or non-approval to the Board;
- C. Reviewing, prior to issue or review by the Board, the management briefing and analysis section of the Annual Financial Report, and any other disclosure documents containing financial statements of the Society;
- D. Reviewing annually the results of the external auditor's review of the Society's financial records, including the management letter and opinion on the financial

statements, reviewing management's response and subsequent follow-up to any significant identified weaknesses, and reporting to the Board any unresolved matters;

- E. Through discussions with management and the external auditor, obtaining reasonable assurance that the Society's accounting systems are reliable and internal controls are adequate; for this purpose, requesting the external auditor to examine particular system areas;
- F. Reviewing the quality of service, performance and fees of the external auditor, and recommending to the Board, as required, the appointment or reappointment of an external auditor;
- G. Reviewing annually the expenses of senior management;
- H. Reviewing annually the expenses of the Board and individual directors; and
- I. Reviewing, as required, the Society reports on any outstanding litigation against the Society.

The Committee shall review other matters which are referred to it by the Board for consideration and recommendations.

#### **4. ACCOUNTABILITY**

The Committee will report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next meeting of the Board of every major matter considered since the Board's last meeting.

#### **5. COMMITTEE TIMETABLE**

The time and place of meetings of the Committee and the procedures at such meetings shall be determined from time-to-time by the members of the Committee, provided that:

- A. a quorum for meetings shall be two (2) members, present either person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear one another;
- B. the Committee shall meet at least three times a year;
- C. reasonable notice (preferably a minimum of 10 days) of the time and place of every meeting shall be given in writing or by email communication to each member of the Committee prior to the time fixed for such meeting;
- D. the external auditor shall attend meetings at the call of the Committee Chair and at the expense of the Society to review audit plans and scope, and the audit findings and audited financial statements of the Society.

## **6. MINUTES AND REPORTING RESPONSIBILITY**

- A. An outline of material issues addressed by the Committee, and all recommendations, decisions and directives of the Committee shall be recorded in the minutes of the meeting. Following approval of the minutes by the Committee, the minutes shall be circulated to the Board prior to the next following Committee and Board meetings respectively.
- B. The Committee Chair shall make a verbal report of the meeting to the Board at the next meeting of the Board.

## **7. ACCESS TO CORPORATE RECORDS/PERSONNEL**

In performing any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Society required for the execution of the Committee responsibilities and, as necessary, shall discuss with appropriate Society officers and employees such records and other relevant matters.