

Finance and Audit Committee Terms of Reference

Approval Date	May 25, 2023
Date Effective	May 25, 2023
Monitoring and Frequency	The committee terms of reference are reviewed every two (2) years.

Authority

The **Finance and Audit Committee** is established by the Board of Governors and reports to the Board through the Committee Chair.

Responsibility

The Committee shall monitor, evaluate and make recommendation for decisions by the Board with respect to strategic and significant financial and capital infrastructure matters and policies of the college. The Committee shall also consider any other matters delegated to the Committee by the Board.

Without limiting the generality of the foregoing, the Committee shall:

1. Financial Planning

- Review the annual operating and capital budgets, infrastructure needs, alignment with the financial plans and policies with the strategic plan and, when satisfied, recommend to the Board for approval.

2. Monitoring

- Regularly monitor the financial performance of the college in relation to the approved budget and, where necessary, review significant variances.
- Ensure regular financial reports are provided to the Board.
- Monitor the college's strategic planning in the context of long-term financial sustainability.
- Ensure, on behalf of the Board, the capital assets of the college are accounted for on a regular basis and reported as such to the Board.
- Monitor the investments of the college in relation to approved policy.

- Monitor and review the college's strategic risks and ensure reports are provided to the Board.
- Monitor and evaluate the Enterprise Risk Management Framework and, where appropriate, suggest improvements and recalibration of the college's risk appetite.

3. Financial Policies and Systems

- Review significant matters related to financial policy.
- Undertake any special financial studies or investigations, which the Board may delegate to it from time to time.
- Ensure there are adequate financial systems that produce accurate, relevant, and timely financial information.

4. Audit

- Review the results of internal and external audits performed and ensure corrective action has been taken where control or reporting weaknesses are identified.
- Meet with the external auditors to discuss their annual audit.
- Review and recommend to the Board the response to the annual exit report issued by the external auditors.
- Report periodically to the Board on matters pertaining to or emanating from an internal audit program.

5. Annual Financial Statements

- Review the annual draft financial statements and, where appropriate, suggest improvements in the financial information and, when accepted, recommend the financial statements for approval by the Board.

6. Ad-Hoc Committees

- The Finance and Audit Committee may strike any Ad Hoc Committee, as required, members of which need not all be Board members.

Membership

The Committee shall be composed of three to five Board members, one of which serves as Chair.

Ex-officio members include the Chair of the Board and the President. In the event of absence of the committee chair for a particular meeting, the Board Chair or agreeable member with the appropriate level of competency will fill the role of committee chair.

The Vice President Administration and CFO shall provide management support to the Committee, with the assistance of Executive Committee members and management employees.

The Committee composition and terms of reference shall be revisited every two (2) years.

These terms of reference may be amended, subject to approval by the Board.

Roles and Responsibilities

- As per Bylaw 6.9.4, the committee chair shall report to the Board on a regular basis.
- As per Board Procedure No. 5 – We Delegate Authority to the President: “we delegate our authority and assign responsibility to the College’s President to carry out the College’s plans and programs on our behalf.”
- The Board of Governors values a participatory relationship with the President & CEO and respects independency where perceived or real conflict of interest may exist.
- All items included in the Roles and Responsibilities, and Work Plan that require approval, will be recommended by the Finance & Audit Committee at the following Board meeting for Board of Governors approval.

ROLES AND RESPONSIBILITIES	PRESIDENT and CEO RECOMMENDS/ PARTICIPATES	FINANCE & AUDIT COMMITTEE			BOARD APPROVES
		REVIEWS	APPROVES	RECOMMENDS	
Financial Planning					
1. Review Operating and Capital budget.	✓	✓		✓	✓
2. Review Net Assets Forecast.	✓	✓			
3. Review Tuition and Fees.	✓	✓		✓	✓
Financial Monitoring					
4. Monitor Financial Results and Forecasts.	✓	✓			
5. Monitor Downtown Campus Development Project.	✓	✓			
6. Monitor Investments.	✓	✓			
Financial Policies and Systems					
7. Review significant matters related to financial policy.	✓	✓			
8. Undertake any special financial studies or investigations.	✓	✓			
9. Ensure there are adequate financial systems that produce accurate, relevant, and timely financial information.	✓	✓			
Audit					
10. Review Auditor General's Audit Plan.	✓	✓			
11. Review Auditor General's Audit Exit.	✓	✓			
12. Monitor status of OAG recommendations and report to Board.	✓	✓			
13. Monitor status of internal audit matters and report to Board.	✓	✓			
Annual Financial Statements					
14. Review Draft Financial Statements.	✓	✓			
15. Review Consolidated Financial Statements. <i>(Note: Government of Alberta deadline is Oct 31)</i>	✓	✓		✓	✓

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		REVIEWS	APPROVES	RECOMMENDS	
16. Approve Investment Management Agreement.	✓	✓		✓	✓
Monitoring and Reporting					
17. Review of the college's strategic risks.	✓	✓			
18. Monitoring and review of the college's Enterprise Risk Management Framework and risk appetite.	✓	✓			
19. Review Committee Terms of Reference (every two years).	✓	✓		✓	✓
20. Annual review of Committee Work Plan.	✓	✓	✓		
21. Annual confirmation on compliance with Investment Limitations, as per Board Policy #7.	✓	✓	✓		✓

Historical Review Dates	March 6, 2017; October 16, 2018; May 19, 2021; May 16, 2023
Next Review Date	May 2025
Policy Custodian	Board Coordinator