

Finance and Audit Committee Terms of Reference

Approval Date	March 6, 2025
Date Effective	March 6, 2025
Monitoring and Frequency	The committee terms of reference are reviewed every two (2) years.

1. Authority

The **Finance and Audit Committee** is established by the Board of Governors and reports to the Board through the Committee Chair. The Committee Chair shall provide leadership to the Committee members in fulfilling the mandate set out in these terms of reference.

2. Purpose

The Committee's purpose is to assist the Board of Governors in fulfilling its governance responsibilities by providing strategic oversight, insight, and foresight on auditing, financial reporting, internal control functions, and enterprise risk management.

3. 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 provide recommendations for adjustments to the college's risk appetite as necessary.

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.

4. Membership

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

Ex-officio members include the Chair of the Board and the President and CEO.

5. Delegation

In the event of absence of the Committee Chair for a particular meeting, the Board Chair or agreeable member at the request of the Committee Chair will fill the role of Committee Chair.

6. Committee Processes

The Committee shall function in accordance with the Bylaws of the Board of Governors.

The Committee will typically meet prior to each scheduled Board of Governors' meeting.

The Committee develops and follows an annual work plan addressing both strategic and routine responsibilities.

A majority of the members of the Committee shall constitute a quorum.

The Board Coordinator shall take minutes at the Committee meetings and the minutes shall be presented for approval at subsequent meetings. Minutes will be kept and stored in accordance with the College's Records and Information Management policy.

The Finance & Audit Committee in-camera session with the Chief Financial Officer is documented and sealed with the committee minutes, to be opened by the Finance & Audit Committee Chair only.

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 membership shall be reviewed in accordance with the Board Bylaws, and the terms of reference shall be reviewed every two (2) years. These terms of reference may be amended, subject to approval by the Board.

As per the Board Bylaws, the Committee Chair shall report to the Board on a regular basis.

7. Roles and Responsibilities

- 7.1 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.”
- 7.2 The Board of Governors values a participatory relationship with the President and CEO and respects independency where perceived or real conflict of interest may exist.
- 7.3 Items that require approval, will be recommended by the Finance and Audit Committee to the Board of Governors.

RESPONSIBILITIES	FINANCE & AUDIT COMMITTEE			BOARD APPROVES
	REVIEWS	APPROVES	RECOMMENDS	
Financial Planning				
1. Operating and Capital Budget	✓		✓	✓
2. Appropriation of Net Assets	✓		✓	✓
3. Tuition and Fees	✓		✓	✓
Monitoring and Reporting				
4. Financial Report and Forecast	✓			

RESPONSIBILITIES	FINANCE & AUDIT COMMITTEE			BOARD APPROVES
	REVIEWS	APPROVES	RECOMMENDS	
5. Investment Monitoring	✓			
6. Strategic Risk Report	✓			
7. Chief Financial Officer Report	✓			
8. Annual Committee Work Plan	✓	✓		
9. Enterprise Risk Management Framework and Risk Appetite	✓		✓ ¹	✓
10. Committee Terms of Reference (every two years)	✓		✓	✓
11. Investment Management Agreement	✓		✓	✓
Financial Policies and Systems				
12. Review significant matters related to financial policy and accounting standards	✓			
13. Undertake any special financial studies or investigations	✓			
14. Ensure there are adequate financial systems that produce accurate, relevant, and timely financial information	✓			
Audit				
15. Review Auditor General's Audit Exit	✓			
16. Internal Audit Report	✓			
17. Review Auditor General's Audit Plan	✓			
18. Risk of Fraud Assessments	✓			
19. Internal Audit Plan	✓	✓		
20. Accounting Estimates Risk Assessment	✓			
Annual Financial Statements				
21. Draft Consolidated Financial Statements ²	✓			
22. Consolidated Financial Statements	✓		✓	✓
In Camera Session				

¹ If revisions are required.

² Preliminary review of draft consolidated financial statements is to occur before the regularly scheduled Committee meeting in May.

RESPONSIBILITIES	FINANCE & AUDIT COMMITTEE			BOARD APPROVES
	REVIEWS	APPROVES	RECOMMENDS	
23. In Camera with Chief Financial Officer.	✓			

Historical Review Dates	March 6, 2017; October 16, 2018; May 19, 2021; May 16, 2023; February 24, 2025
Next Review Date	February 2027
Policy Custodian	Board Coordinator