

## **TERMS OF REFERENCE**

### **FINANCE COMMITTEE**

#### **1.0 NAME**

Finance Committee

#### **2.0 PURPOSE**

The purpose of the Finance Committee is to provide financial oversight for the Association on budgeting, financial planning, financial reporting, and the creation and monitoring of internal controls and financial policies.

#### **3.0 SCOPE**

##### 3.1 Authority

The Finance Committee is a committee of Council. It reports to Council and takes its direction from Council.

##### 3.2 Membership

The Finance Committee is comprised of a minimum of five (5):

- 2 Councillors appointed by Council.
- 1 Member-at-large appointed by Council.
- Manager of Finance.
- CEO & Registrar.

The Chair of the Committee is a councillor appointed by Council. The Vice-Chair is selected by the Committee from within. The Vice-Chair assumes the duties of the Chair in the Chair's absence, or when requested by the Chair. The Member-at-large is appointed for a two-year term renewable for up to three consecutive terms; all others are ongoing as per their term(s) on council or staff appointment. The Member-at-large will be identified by volunteer call and must have strong financial training, experience and preferably an accounting designation (eg. CPA).

##### 3.3 Meetings

The Finance Committee meets at least four times per year. However, the scheduling and frequency of meetings should serve the committee's purpose. The proposed agenda of meetings is established by the Chair and distributed to the committee members. A quorum consists of a simple majority of voting members.

Minutes of meetings are confidential to the Committee, copies of the minutes and attachments are maintained at the Association offices and available to the Executive Committee, Audit Committee and to Council.

### 3.4 Expenses

The Finance Committee expenses are paid from a line allocated to the Committee in the operating budget. The Committee is responsible to the CEO for adherence to its proposed operating costs for the year.

### 3.5 Operation

The Finance Committee will fully engage in an annual budgeting process. In addition to reviewing the budget prepared by the CEO, the Committee will also propose financial goals and policies to Council. The Committee will work with staff to determine the financial implications of the strategic plan and will plot them into a multi-year budget forecast that will financially support the implementation of the strategic priorities.

### 3.6 Reporting

The Finance Committee will review reports prepared by the CEO and provide guidance. Reports to include: quarterly financial statements, annual financial summaries to the external auditors, information requested or given by the Audit Committee or any report requested by Council. The Committee provides an annual summary of its activities in the Association's annual report document.

## **4.0 COMMITTEE PRODUCTS**

Expected products of the Finance Committee:

- Financial oversight of the Association.
- Reporting as per 3.6 above.
- Annual operating budget recommendation to Council.
- Monitoring adherence to the budget.
- Setting of long-range financial goals along with funding strategies to achieve them.
- Develop multi-year operating budgets that integrate strategic plan projects.
- Recommendations to Council on financial policies:
  - Financial Planning & Budgeting
  - Financial Condition
  - Asset Protection & Risk Management