



FINANCE & AUDIT COMMITTEE TERMS OF REFERENCE

PURPOSE

The purpose of the Finance and Audit Committee of the Board of Education is to help oversee the budget, monitor financial management and reporting, and provide a more focused and ongoing discussion of District financial accountability, risk assessment and mitigation strategies and the budget process, controls, monitoring and reporting, within the Board approved strategic vision and plan.

COMPOSITION

The Committee shall be a Board of Education Committee of the Whole and will consist of all Trustees and select excluded staff members, which will include the Superintendent, Secretary-Treasurer, Assistant Secretary-Treasurer Corporate and Finance Services, and one member of the District Leadership Team (DLT).

In terms of the DLT, it is recommended that they select a member with a financial background and/or experience where possible. The DLT member appointed to the role will be selected for a period of one year which will run from January 1st to December 31st. The DLT member will be appointed in December of each year.

The Finance and Audit Committee will be chaired by the Vice Chair of the Board of Education.

DUTIES AND RESPONSIBILITIES

General Responsibilities:

- Schedules regular meetings; additional meetings may be called at the request of the Committee Chair;
- Appoints a Secretary who shall record the proceedings of all meetings.

General Financial Oversight:

- Advises on financial policy issues;
- Makes financial recommendations to the Board of Education;
- Complies with statutory requirements and any other relevant government regulations.

Audit Committee:

At least twice annually, the Committee will convene as an Audit Committee with the following duties:

- Liaises with the District's Auditor or other financial audit institutions on behalf of the District;
- Manages the selection of the Auditor, reviewing their services to the District and recommending their appointment to the Board of Education;
- Reviews financial statements and discusses them with the Auditor as required;

- Ensures the Auditor is providing an adequate level of advice to the District which is agreed and set out in the Auditor's Management Letter;
- Meets with the Auditor to approve the audit plan, including scope and materiality levels, receives and reviews the audit report including noted management letter areas, and reports out annually to the Board of Education on the audit results;
- Receives summary reports on internal compliance audits; these will be reviewed, and recommendations made for changes to processes or procedures.

Financial Planning Budgeting and Reporting:

- Each year setting a budget target, ensuring the budget is delegated to specified persons who will be accountable for their specific portion of the budget, monitoring budget performance and taking appropriate action if required, based on budget information;
- Presenting budgets to the Board of Education for approval;
- Reviewing the operating budget results after each forecast, business risks and explanations of variances between budgets and actual results and proposed actions;
- Advising on priorities when faced with in-year budget pressures or during budget formulation;
- Receiving and reviewing information prepared by staff related to the District's financial position and reporting this to the Board of Education.

Treasury Management, Bookkeeping and Recordkeeping:

Although the Finance and Audit Committee will not be involved with the daily tasks of banking, bookkeeping and recordkeeping, it is responsible for:

- Advising on the process for choosing which banks or other financial institutions the District should use and what type of bank accounts it should have;
- Approving any changes of signatory for the District's bank accounts;
- Reviewing and updating delegated authorities as required;
- Reviewing recommendations relating to internal controls;
- Ensuring appropriate cash management and cash investing protocols are in place and adhered to.

Control of Fixed Assets and Risk Management Oversight:

- Ensuring that the District keeps proper financial records of its fixed assets, equipment and property;
- Ensuring that the District is adequately insured and that the policies are regularly reviewed to ensure that the coverage is adequate and the premiums competitive;
- Annually reviews open insurance claims and determines if the necessary risk management practices are in place;
- Assesses District risk matters and determines the adequacy of risk mitigation strategies implemented by management.

Financial Systems:

- Enables accountability and transparency in all financial systems and processes;
- Ensures that financial systems incorporate adequate risk considerations in recommendations;
- Determines changes to segregation of duties as appropriate.

Legal Compliance:

- On an annual basis, reviews any legal matters that could have a significant impact on the District's financial statements, the District's compliance with applicable laws and regulations, and inquires received from regulators or government agencies;
- Receives an annual report on updates to the Standards of Conduct for Employees.

ACCOUNTABILITY

The Finance and Audit Committee will report its deliberations to the Board of Education at its next regular meeting.

The Finance and Audit Committee will review these Terms of Reference at its final meeting in each fiscal year and recommend changes to the Board of Education.

OPERATIONS OF THE COMMITTEE

In order to discharge its responsibilities, the Finance and Audit Committee shall each year establish a schedule of meetings. Additional meetings may be scheduled as required.

A quorum at any Committee meeting shall be a majority of its members. All determinations of the Committee shall be made by either at a meeting duly called and held, at which a quorum was present and acting, or by a written consent to actions taken and signed by all of the members of the Committee.

The Secretary-Treasurer shall be responsible for establishing the agendas for meetings of the Committee in consultation with the Committee Chair. Trustees can also request agenda items which will be reviewed by the Committee Chair. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting.

Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed to the Board of Education.

BOARD OF EDUCATION APPROVAL

Adopted by the Board March 2014

Amended by the Board June 2017

Amended by the Board June 2019