

Audit, Finance and Risk Committee Terms of Reference

Purpose

The Audit, Finance, and Risk Committee shall have the mandate to assist Council in fulfilling its oversight responsibilities with respect to the financial health, sustainability, and risk management of the College.

Authority and Reporting

The Audit, Finance and Risk Committee Chair shall, as requested by Council, report on matters arising at Committee meetings and, where applicable, present the Committee's recommendation(s) to Council for its approval.

Membership

The Committee shall be comprised of:

- a minimum of three (3) Council members, of which one (1) must be a regulated member and one (1) must be a public member,
- the Registrar or designate as an ex-officio (non-voting) member of the Committee,
- the Council Chair or designate as an ex-officio (non-voting) member of the Committee.

Members of the Committee and the Committee Chair are **appointed** by Council.

The Council Chair and the Registrar & CEO are not eligible to be appointed as the Committee Chair.

Committee members should have the skills and experience to fulfill their responsibilities or be ready and willing to obtain them through appropriate information and training.

Guests or advisors (non-voting) can be invited to participate in Committee discussions as required.

The Registrar & CEO may assign staff (non-voting) to provide administrative assistance to the Committee. These staff remain accountable to the Registrar & CEO.

Term

- Committee members and the Committee Chair shall serve for a minimum of **one (1) year**.



RESPONSIBILITIES AND DUTIES

A. Financial Reporting

Responsibility: The Audit, Finance, and Risk Committee shall support the Council in its oversight of the financial reporting process.

Duties:

1. Review and recommend quarterly financial statements that are prepared by the Registrar & CEO to Council for approval.
2. Review and recommend to Council for approval of the College's annual budget.
3. Review and recommend to Council for approval the disbursement and replenishing of the restricted funds.
4. Review and make recommendations to Council regarding the remuneration to be paid to regulated member Councillors and Committee members for honorariums, per diems, travel, and expenses.
5. Review and approve quarterly the details of the Registrar & CEO's expense account and out-of-pocket expenses.

B. External Financial Audit

Responsibility: The Audit, Finance, and Risk Committee is responsible for overseeing the external audit of the College.

Duties:

1. Oversee the auditor Request for Proposal process, if applicable.
2. Recommend to Council for approval the appointment of the external auditor.
3. Review the draft audited financial statements in detail with the auditor and discuss any significant findings and recommendations including the timetable for implementation of recommendations.
4. Review the contents of the management representation letter as required in the audit process.
5. Review with the Registrar & CEO and the auditor any difficulties encountered during their audit, including any restrictions on the scope of their work or access to required information.
6. Review with the Registrar & CEO and the auditor the effectiveness of the College's internal control systems, including information technology security and controls.
7. Review and recommend to Council for approval the annual audited financial statements. Consider whether they are complete and consistent with information known to Committee members, with particular attention to:



- a. Significant accounting and financial reporting issues, including complex or unusual transactions, and significant accounting principles and policies.
 - b. Significant estimates and judgements underlying the financial statements, including the rationale behind those estimates as well as the details on material accruals and reserves.
8. Make recommendation(s) to Council for the resolution of disagreements between the Registrar & CEO and the auditor regarding the College's financial reporting, if required.

C. Financial and Risk Policies

Responsibility: The Audit, Finance, and Risk Committee is responsible for the oversight of the College's financial and risk management policies and overseeing the College's related compliance.

Duties:

1. Based on a staggered policy review schedule the committee will report to Council that it has reviewed and made recommendations for amendments, if required to the following policies:
 - GP-6 Council Compensation
 - CP-2 Finance
 - CP-2.1 Internally Restricted Funds
 - CP-2.2 Investments
 - CP-3 Risk Management
 - CP-4 Registration & Renewal Process Policy

D. Identification and Monitoring of Risks

Responsibility: The Audit, Finance, and Risk Committee is responsible for assisting Council with the identification and monitoring of the College's key risks including operational, strategic, reputational, financial, legal, and regulatory risks.

Duties:

1. Each quarter, receive and review the College's risk register and other information on actual and threatened risks facing the College. This includes reviewing and discussing the Registrar & CEO's identification and assessment of emerging risk issues and trends. Significant risks, such as legal action against the College, will be reported directly to Council.

Expectations

The Committee members will commit to:

- review and familiarize themselves with all meeting materials in advance of each meeting,
- attend and actively participate in all scheduled Committee meetings,
- participate in all Committee discussions,
- share all communication and information across all Committee members,



- undertake a fair share of reasonable tasks and responsibilities as is appropriate for the functioning and progress of the Committee,
- consider all views and options regardless of personal agendas or interests for the best possible achievement of the Committee's responsibilities,
- declare conflicts of interest if one exists,
- remove themselves from Committee work if a real, potential, or perceived conflict of interest exists,
- listen to and consider the views and suggestions of other Committee members, and
- respect the decisions of the Commission on recommendations from the Committee.

Meetings

- The Committee shall meet at as necessary. Meetings shall be held at the call of the Committee Chair or the Registrar and, except in the case of an emergency, Committee members will be given a minimum of 48 hours prior notice of a Committee meeting.
- Meetings may be held in person, by teleconference, by videoconference, or by any combination thereof.
- The Committee Chair, in consultation with the Registrar & CEO, shall establish the agenda for the meetings and ensure that materials are circulated to members in sufficient time for review prior to the meeting.

Chair

The Chair is expected to:

- facilitate meetings,
- manage consensus for the purpose of recommendations,
- assist the college in preparing meeting packages including agendas and minutes, and
- act as a liaison between the Committee and Council.

Quorum

A quorum shall consist of 50% of Committee members. In the case of an equality of votes at a meeting of the Committee, the issue will be raised to Council for a decision.

Finances

Committee members shall receive remuneration for participating on the Committee in accordance with council policies.

**Confidentiality**

Committee members shall respect the confidentiality of any confidential information or materials to which they have access. Information will be maintained strictly confidential and will not, in any circumstances be disclosed or used without the express consent of Council.

Effective

These terms of reference are effective upon Council approval and may be altered or rescinded in whole or in part by Council decision. The Audit, Finance and Risk Committee is responsible for annually reviewing these Terms of Reference and recommending any updates to the Governance Committee. The policy will then go to Council for approval.

Amendment, Modification or Variation

These terms of reference may be amended, varied, or modified in writing after consultation and agreement by Council.