

## Finance Committee – Terms of Reference

### 1. Mandate

The Finance Committee is a standing committee of the CDCF. The mandate of the Finance Committee is to assist the CDCF Board in fulfilling its oversight responsibilities for financial performance and reporting, internal control, the audit process, risk management processes and sound governance and business practices under the legislative requirements as a registered society in British Columbia and as a charity.

### 2. Functions and Responsibilities

The functions and responsibilities of the Finance Committee are as follows:

#### General

- (1) Provide financial information on a timely basis to enable the Board to discuss potential issues, make decisions, and fulfill its mandate.
- (2) Provide recommendations to the Board for the security and protection of CDCF resources and on any matter respecting financial or risk management matters.
- (3) Recommend investment guidelines, review investment performance, and support donor initiatives.
- (4) Regularly review financial, risk management and other relevant policies and, when deemed necessary, recommend changes.
- (5) Ensure that financial information is protected within the organization including privacy of personal information under all freedom of information and protection of privacy legislation, and is properly and adequately communicated to stakeholders.
- (6) Provide to the Board, financial reports and other special reports, recommending policies and procedures that support effective internal controls and financial management.

#### Financial and Accounting

- (7) Review draft annual budgets and multi-year financial plans (as necessary) and present same to the Board.
- (8) Monitor financial performance against the budget and report any significant variations to the Board.
- (9) Review the quarterly and annual financial statements and present same to the Board.
- (10) Review management's approach for safeguarding the CDCF assets and information systems, the adequacy of staffing of key financial functions, and financial administrative operational plans.
- (11) Review with management the Board's financial policies and ensure compliance with such policies.
- (12) Review and monitor compliance with other laws, regulations and codes including conflict of interest.
- (13) Review and assess the overall financial health and performance of the CDCF and make recommendations to the Board on improvements, adjustments or procedural changes.

### **Audit**

- (14) Recommend to the Board the selection, engagement and performance of an audit.
- (15) Receive assurances on the independence of a proposed or appointed auditor.
- (16) Approve the annual audit plan of the external auditors, including the scope of the audit to be performed and the estimated audit fees.
- (17) Review post-audit or management letters containing recommendations of the external auditors and management's response.
- (18) Monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks, taking into consideration the cost of implementing those controls.

### **Risk Management**

- (19) Review and approve risk management and internal control systems.
- (20) Review insurance coverage and make recommendations to the Board respecting appropriate coverage.
- (21) Review proposed projects or services that are considered secondary to the function of the CDCF including the adequacy of funding sources and resource allocations in order to make recommendations on the terms and conditions for providing those services or projects.
- (22) Develop and manage a risk assessment and mitigation framework for the CDCF.

## **3. Membership**

- (1) The Finance Committee shall consist of the Treasurer and at least two other Board members.
- (2) The President shall appoint the Board members to serve on this Committee and shall report to the Board on the appointments made.
- (3) In consultation with Committee members and the President, the Committee Chair may engage outside advisors to provide advice with respect to a decision or action, subject to the availability of financial resources.
- (4) The Treasurer shall be the Chair who shall be responsible for chairing all meetings of the Finance Committee and for preparing and presenting the information and reports required under this Terms of Reference.

## **4. Terms of Office**

The terms of office for all members of the Finance Committee shall be two fiscal years commencing on the day of appointment of the individual members.

## **5. Quorum**

A quorum of the Finance Committee shall be all members of the Committee.

**Adopted by the CDCF Board:**

**Last Review Date:**