



## Terms of Reference Audit & Finance Committee

	Description
<b>Purpose</b>	<p>The Audit &amp; Finance Committee (the “Committee”) provides strategic leadership and advice to the Board regarding its fiduciary responsibilities, compliance, risk management, external reporting, and internal control policies and practices.</p>
<b>Overview</b>	<p>The Committee is appointed by the Edmonton Metropolitan Region Board (the “Board”).</p> <p>The Committee approves, monitors, evaluates, advises and makes recommendations, in accordance with these terms of reference, on matters in respect of:</p> <ul style="list-style-type: none"><li>• the annual report;</li><li>• the annual budget;</li><li>• the external audit;</li><li>• risk management;</li><li>• financial reporting;</li><li>• audit and financial policies and practices; and</li><li>• other duties the Board may delegate from time to time.</li></ul>
<b>Accountability to the Board</b>	<p>The Committee has no authority to direct management or commit the Board unless specifically authorized by the Board through the Committee Terms of Reference.</p> <p>The Committee will report to the Board following each meeting by distributing minutes of its meetings to the Board. When a Board meeting closely follows a Committee meeting, the Committee Chair will provide a verbal report to the Board and the minutes will be circulated at the next Board meeting.</p>
<b>Membership</b>	<p>The Committee shall be composed of a five (5) appointed members of the Board, consisting of:</p> <ul style="list-style-type: none"><li>• the Committee Chair</li><li>• 4 additional Board members; and</li><li>• the Board Chair (ex-officio, non-voting)</li><li>• the Board CEO (ex-officio, non-voting)</li></ul> <p>Committee members should be financially literate; with at least one</p>



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	<p>member having accounting or related financial experience. “<i>Financially literate</i>” means the ability to read and understand financial statements of the complexity normally presented by the Board and “<i>accounting or related experience</i>” means the ability to analyze and interpret a full set of financial statements, including notes.</p> <p>If this requirement does not exist within the Board, the Board shall provide financial literacy training for all members of this committee, and all members are required to take the training. The Board may also choose to supplement this committee with professional accounting and finance experience obtained through a third party to provide oversight and advice to the committee. The Chair of the Committee shall be appointed by the Board with the Vice Chair elected by the Committee at its first meeting. The Audit &amp; Finance Committee Chair is also a member of the Executive Committee.</p> <p>Committee members will be appointed by the Board at the first organizational meeting of the Board following a municipal election.</p> <p>The Board Chair is an ex-officio, non-voting member of this Committee, and does not count for quorum.</p> <p>The Board may choose to replace one Board member on the committee every two years.</p> <p>Alternates for each appointed member municipality shall be identified.</p>
<b>Quorum</b>	<p>A majority of appointed Committee members (50 per cent plus 1) shall constitute quorum, represented in person or by telephone or other telecommunications device that permits participation.</p>
<b>Sub-committees</b>	<p>When deemed necessary, the Committee may form a sub-committee to deal with a specific issue or deliverables within the Committee’s mandate.</p> <p>The composition of the sub-committee and a description of the assignment shall be defined in a Terms of Reference.</p>



	<p>Sub-committees must have at least one Committee member to act as Chair of the sub-committee with the remaining members consisting of elected or non-elected representatives or a combination of both.</p> <p>Consideration should be given to the size of sub-committee to ensure its effectiveness and that sub-committee members possess the desired skills, core competencies and experience to contribute to the particular assignment.</p> <p>The Committee is accountable to the Board for work of any sub-committee.</p> <p>Remuneration for members.</p>
<b>Voting</b>	<p>Each Committee member will have one vote. The Committee will work towards consensus, as much as possible. In the event of a tie, the motion is defeated.</p>
<b>Meetings</b>	<p>The Committee meets four (4) times per year and may meet more frequently in the execution of its duties and responsibilities.</p> <p>Additional meetings outside of its normal schedule may be called to address specific items, and are at the call of the Chair. Reasonable notice shall be provided, preferably seven (7) days notice by email.</p> <p>The schedule of meetings shall be determined based on the timelines and outputs (or deliverables) of the Committee.</p> <p>Meetings are open to the public, and subject to FOIP.</p>
<b>Duties and Responsibilities</b>	<p>Subject to the powers and duties of the Board, the Audit &amp; Finance Committee will be responsible to perform the following duties:</p> <ul style="list-style-type: none"><li><b>i. Annual Report</b><ul style="list-style-type: none"><li>a. Review and recommend to the Board</li></ul></li><li><b>ii. Annual Budget</b><ul style="list-style-type: none"><li>a. Recommend the remuneration of the Board Chair</li><li>b. Recommend the requisition of funds, if needed</li><li>c. Recommend the annual budget</li></ul></li></ul>



	<p>d. Recommend Board remuneration</p> <p><b>iii. External Audit</b></p> <p>a. Review and recommend the appointment of external auditors and fees</p> <p>b. Act as the Board's liaison with external auditors</p> <p>c. Review the performance of the external auditors</p> <p><b>iv. Risk Management</b></p> <p>a. Review and recommend to the Board risk management policies and practices including appropriate D&amp;O and other Insurance requirements</p> <p><b>v. Financial Reporting</b></p> <p>a. Review and recommend to the Board, the annual audited and unaudited financial statements</p> <p>b. Review and approve quarterly financial statements</p> <p>c. Review and recommend to the Board, the financial content of the Annual Report</p> <p>Monitor the financial reporting to the Board and recommend changes (as required)</p> <p><b>vi. Audit and Financial Policies and Practices</b></p> <p>a. Review and recommend financial policies</p> <p>b. Review and recommend financial practices</p> <p>c. Review and recommend investment policies</p> <p>d. Review such matters that the Committee or the Board deems advisable or timely</p> <p><b>vii. Statutory Obligations</b></p> <p>a. The Audit &amp; Finance Committee shall ensure that the Edmonton Metropolitan Region Board meets its statutory obligations and conducts its affairs in accordance with legal and regulatory requirements.</p> <p><b>viii. Policy Review</b></p> <p>a. The Committee has the responsibility to review Board Policies at least every four (4) years, and more frequently if necessary (e.g. based on legislative or regulatory changes or the development of governance best practices).</p>
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