

The quorum at meetings is 50% plus one of the members of the Committee.

## **10. FINANCE AND AUDIT COMMITTEE**

### **10.1 Purpose**

The Finance and Audit Committee is a standing committee of the Board responsible for establishing the overall financial priorities, controls, and oversight and approval processes of the Foundation's annual budget. The Committee oversees budget planning and monitors budget performance and recommends in-year changes and amendments to the annual budget.

See Appendix 7 for the Foundation's Finance Procedures.

### **10.2 Membership and Term**

The Finance and Audit Committee is made up of at least five members in total, at least two of whom are Board members. All Committee members are appointed by the Board at the first board meeting after the annual general meeting.

The Chair of the Investment Committee (Section 9) will always be appointed to this committee concurrently and will serve as Vice-Chair. Another Board member appointed to the committee will serve as Chair.

Individuals from outside the Foundation may be appointed to serve on this Committee, and at least one professional certified accountant (e.g., CPA) should be a member.

The Chair of the Board will serve on the Committee as an ex officio member. Foundation staff will act as resources to the Committee.

### **10.3 Duties and Responsibilities**

#### **Finances**

- Oversee the planning and development of the annual operating budget and recommend approvals and amendments.
- Monitor the approved budget of the Foundation.
  - Review major contracts or expenses worth more than \$20,000 and/or with terms over three years.
  - Make recommendations to the board on extraordinary expenditures, in excess of \$10,000, outside of the annual approved budget in any one line item.
- Review all financial statements and budgets prior to presentation to the Board.
- Ensure that the Foundation has a Risk Management and Mitigation Plan and review it once every two years.
- Periodically review the adequacy of the Foundation's accounting procedures and financial controls.
- Monitor and report on significant issues in financial planning, financial management, and business risk.
- Liaise with the Investment Committee.
- Ensure that the Foundation meets its obligations in accordance with all legal and regulatory requirements (e.g., CRA, federal and provincial regulations).

## **Audit**

- Review the audit tendering process.
- Recommend the appointment of an auditing firm.
- Liaise with the external auditors about any matter(s) they wish to bring to the attention of the Board and to ensure that
  - the Foundation has implemented appropriate systems to identify, monitor and mitigate significant business risk;
  - the Foundation has appropriate and effective internal controls to ensure compliance with internal policies and procedures;
  - the Foundation's annual financial statements are fairly represented in all material respects in accordance with generally accepted accounting principles;
  - the external audit function is carried out effectively.
- Review all audited financial statements and auditors' reports prior to presentation to the Board and Members.

The Committee will deliver reports and make recommendations to the Board in the following areas:

- Annual operating and capital budgets
- Annual audited financial statements
- Policies related to financial management and risk management
- The appointment of auditors

Periodically throughout the year, the Committee will provide the Board with:

- Information about significant financial planning, risk management and reporting issues.
- Interim financial reports.
- Updates on the progress of operating budgets and any material variations from budgets.
- Information about major contracts that bind the Foundation (e.g., lease).
- Reports from auditors and/or Foundation administration on internal control issues and other matters.

## **10.4 Finance Procedures**

The Finance and Audit Committee will ensure that the Finance Procedures (Appendix 7) are reviewed and updated every two years.

## **10.5 Accountability**

The Finance and Audit Committee acts with the delegated authority of the Laidlaw Foundation's Board of Directors to which it is accountable.

## **10.6 Meetings**

The committee will meet at least four times per year. Minutes will be taken at each meeting and a binder of committee minutes and other relevant materials will be kept.

The quorum at meetings is 50% plus one of the members of the Committee.