FINANCE & AUDIT COMMITTEE
TERMS OF REFERENCE

PURPOSE

The purpose of the Finance and Audit Committee is to assist the Board of Education in fulfilling its governance and oversight responsibilities in the areas of budget and financial reporting, external audit process, risk management, internal controls and compliance matters, making recommendations and delivering reports to the Board of Education in accordance with these terms of reference.

COMPOSITION

The Committee shall be a Board of Education Committee of the Whole and will consist of all Trustees and assisted by the School District's 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 July 1st to June 30th. The DLT member will be appointed in June 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;
- Recommends the appointment of the external auditor and their services to the Board of Education
- Meets with the external auditor to review and approve the annual audit plan, including scope and materiality levels, areas of audit risk and timelines;
- Reviews the engagement letter and confirms independence of the external auditors;

- Ensures that direct and open communications exist among the committee, management and the external auditor;
- reviews the audit findings report with the external auditor, including management letter and management responses;
- Reviews the district's audited financial statements before such statements are submitted to the Board of Education for approval;
- Reviews other direct or indirect external audit reports (e.g. Office of the Auditor General) toward making recommendations to policy or procedural changes

Financial Planning Budgeting and Reporting:

- Oversees the annual budget process;
- Reviews the proposed Annual and Amended budgets before they are submitted to the Board of Education for approval;
- Receives and reviews the operating budget results each quarter, including business risks and explanations of variances between budgets and actual results and proposed actions;
- Advises on Board priorities when faced with in-year budget pressures or during budget formulation;

Risk Management Oversight:

- Annually receives and reviews a summary of insurance claims and determines if the necessary risk management practices are in place;
- Reviews the risk assessment and risk management activities of the district and determine the adequacy of risk mitigation strategies implemented by management.
- Receives and reviews summary reports on internal compliance audits; and recommendations made for changes to processes or procedures.
- Reviews reports, if any, concerning any significant fraud or non-compliance events and provides recommendations for strengthening internal controls to reduce risk of a similar event in the future;

Financial Systems:

- Enables accountability and transparency in all financial systems and processes;
- Ensures that financial systems incorporate adequate risk considerations in recommendations;

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;

ACCOUNTABILITY

The Finance and Audit Committee will report its deliberations to the Board of Education at its next in-camera 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.

MEETINGS

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 at a meeting duly called and held, at which a quorum was present and acting.

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
Amended by the Board June 2026