



## Finance & Audit Committee Terms of Reference

<b>Approved by CFKA Board</b>	February 25, 2020
<b>Date(s) Reviewed</b>	
<b>Replaces Previous Version Approved</b>	
<b>Organizational Relationship</b>	The Finance & Audit Committee is a Standing Committee of the Board of Directors
<b>Reports To</b>	CFKA Board of Directors
<b>Purpose/Mandate</b>	<p>The Committee's purpose is to provide oversight of the Foundation's financial dealings and support the Board in fulfilling its financial stewardship role.</p> <p>Specifically, the Committee will oversee the financial operations of the Foundation, that funds are being spent according to the approved budget in support of the organization's mission and strategic direction, and that funds are being spent in accordance with CFKA policies, terms of fund agreements (as appropriate), and CRA requirements.</p>
<b>Responsibilities</b>	<ol style="list-style-type: none"> <li>1. To support the Board with its financial stewardship of the organization:           <ul style="list-style-type: none"> <li>• Review and provide input to the Board on all financial budgets and plans prior to their approval</li> <li>• Review and provide input to the Board on quarterly financial operating results and financial risks</li> <li>• Conduct analyses at Board request on specific matters having actual or potential significant financial consequence for the Foundation</li> <li>• Monitor and recommend financial controls and policies to ensure that CFKA is operating in accordance with sound accounting principles, good financial governance, and applicable laws and regulatory requirements</li> <li>• Monitor the application of Spending Policy and recommend amendments as appropriate</li> <li>• Ensure reasonable insurance coverage to ensure adequate protection of the organization's assets and adequate protection against financial risks</li> <li>• Oversee preparation of financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations for audit by the organization's auditors</li> </ul> </li> </ol>

	<ol style="list-style-type: none"> <li>2. To provide guidance to the Executive Director on: <ul style="list-style-type: none"> <li>• the preparation of all financial plans and the resulting regular reports to the Board of financial operating results</li> <li>• other financial operating issues, as requested</li> </ul> </li>   <li>3. To oversee the audit process for the Foundation: <ul style="list-style-type: none"> <li>• Recommend for approval to the Board the appointment of auditors and their fees</li> <li>• Monitor changes to accounting principles, as presented by the auditors, as they relate to not-for-profit organizations</li> <li>• Prior to approval and release of annual audited financial statements, review with the auditors any audit, disclosure and compliance issues</li> <li>• Review, where necessary, matters raised by the auditor with appropriate levels of management and report to the auditor on their findings</li> <li>• Make known to the auditor any known issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements, where such matters may impact the financial statements or independent auditor’s report</li> <li>• Provide guidance and direction to the auditor on any additional work they need undertaken in response to issues raised or concerns expressed</li> <li>• On behalf of the Board, follow up on findings of the auditor with respect to corporate governance, management conduct and cooperation, information flow and systems of internal controls</li> </ul> </li>   <li>4. To oversee application of Foundation Spending Policy as follows: <ul style="list-style-type: none"> <li>• Review annual granting percentage for approval by the Board</li> <li>• Review and approve spending on individual endowment funds to ensure adherence to Spending Policy</li> </ul> </li>   <li>5. To oversee the First Capital Loan Program, including: <ul style="list-style-type: none"> <li>• Review of applications</li> <li>• Tracking of status of existing loans</li> <li>• Advising the board of any issues/risks associated with the program</li> </ul> </li>   <li>6. To assist the Executive Director and Treasurer in ensuring compliance with any filings required by CRA in accordance with the Income Tax Act of Canada as it applies to registered charities, including: <ul style="list-style-type: none"> <li>• Annual charity return</li> <li>• Annual T4 filing</li> <li>• Semi-annual HST filing</li> <li>• All other required filings</li> </ul> </li> </ol>
<p style="text-align: center;"><b>Membership</b></p>	<p>The committee will include the Executive Director and at least two (2) Board members appointed by the Board. At least one of those will be the CFKA Treasurer of the Board who will serve as Committee Chair.</p>

	<p>The Vice-Chair of the Board is recommended as a member to facilitate knowledge acquisition and learning required to subsequently assume the role of Chair of the Board.</p> <p>Other community representatives, particularly those who have other financial stewardship experience and expertise, should be added to the committee membership.</p> <p>The Committee will have a minimum membership of four (4), and for optimal deliberations and decision-making, it is recommended that membership be a maximum of seven (7).</p>
<p><b>Quorum</b></p>	<p>Majority</p>
<p><b>Meetings</b></p>	<p>The Committee shall meet at least five times a year:</p> <ul style="list-style-type: none"> <li>• quarterly to review the ongoing financial status and performance of the organization</li> <li>• once to review year-end draft audited financial statements and audit issues prior to presentation to the Board for final approval</li> </ul>