

## FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

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**Approved:** March 2, 2017  
**Revised:** September 29, 2018  
**Approved by:** ACFP Board

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The Finance and Audit Committee is a governance committee of the ACFP Board of Directors. The essence of the committee is to provide oversight of the financial activities of the ACFP. The F&A committee is delegated this responsibility by the ACFP Board and will advise the Board on financial items such as operating and special reserves, investments, annual audit, annual operating and capital budget planning, and quarterly review of financial reports.

### PURPOSE

- To review the adequacy and effectiveness of the operating and capital budget planning processes; the presentation and integrity of the ACFP's financial statements, and, processes and structures for managing risk;
- To oversee the qualifications, independence and performance of the external auditors; and,
- To monitor financial performance against plans.

### OVERALL RESPONSIBILITIES

#### Risk Management and Control

1. Ensure, through periodic review and understanding of the risks, that the internal policies, practices and procedures pertaining to financial matters and risk are adequate for the safeguarding of the ACFP's assets, the mitigation of risk and for the regular reporting of its financial position and performance.
2. Review with the external auditors any internal control weaknesses identified and determine whether effective steps have been taken to overcome them.
3. Review, evaluate and recommend to the Board any changes required for the ACFP's insurance policies.

#### Audit Activities

4. Recommend to the Board for recommendation for approval by the members of the ACFP the appointment or re-appointment of the external auditors and the annual audit fee;
5. Review the overall scope of the external audit, including the audit plan, external auditor independence, audit materiality and areas of identified risk.
6. Review audit findings and their disposition by management and report thereon to the Board.
7. Pre-approve all audit and non-audit services to be performed by the external auditor, including the approval of the auditor's annual engagement letter.

## Financial Reporting

8. Review the annual financial statements of the ACFP and:
  - a. approve the draft statements for delivery by management to the auditors
  - b. recommend the audited statements for approval by the Board.
9. Review with management and the external auditor significant accounting principles and disclosure issues, including complex or unusual transactions, judgmental areas (such as reserves or estimates), significant changes to accounting principles and alternative treatments.
10. Review interim financial performance, including the financial statements, key financial indicators, the quarterly financial forecast, and management's discussion and analysis of the quarterly financial information, including comparisons to prior years and to budget.

## Operating and Capital Budgets

11. Review, evaluate and recommend to the Board operating budget plans prepared by management.
12. Review, evaluate and recommend to the Board capital budget plans prepared by management. This shall include annual capital budgets and longer-term life cycle plans.

## Other

13. At least annually, review, evaluate and update, as necessary, these terms of reference, and conduct a review of the performance and effectiveness of the Committee.
14. Obtain management's confirmation that all statutory filings and requirements have been met.
15. Undertake any special assignments, as may, from time to time, be requested of it by the Board.
16. Read, understand, and adhere to the ACFP Volunteer (or Board) Code of Conduct and the Roles and Expectations of Committee Members found in the Volunteer (or Board) Information Manual.

## MEMBERSHIP

The Finance and Audit committee will consist of a minimum of 4 members who will serve a 3-year term with an opportunity for renewal for a second 3-year term. Committee Members must be ACFP Members in good standing. All members must be independent and financially literate, as such terms apply to audit committees.

### Membership will include:

Chair – ACFP Treasurer (or designate from the Board)  
ACFP Board President  
ACFP Board President Elect or Past President (whichever is residing on the Board at the time)  
Minimum one member at large

Board Governance Committees are appointed and approved by the Board.

In addition to the membership it should be noted that the Executive Director of the ACFP is a member of all ACFP Committees without voting privileges.

## REPORTING RELATIONSHIP

The Finance and Audit Committee is a Governance Committee and is accountable to the Board of Directors. The Committee, through its Chair, shall report to the Board following each meeting with respect to its activities and recommendations.

## ADMINISTRATION SUPPORT

Administrative and operational support for meetings and ongoing communications will be provided by the ACFP. A senior staff liaison will be assigned to the committee who will be responsible for formulating agendas; collecting and presenting information regarding the areas of discussion; passing on discussion, recommendations and input from the committee to appropriate parties; and will facilitate the work of the Committee between meetings.

## MEETINGS

Meetings will be called by the Chair. It is expected that the Finance and Audit Committee will meet face-to-face once per year for the external audit and via teleconference 2-3 times per year; and have ongoing communication via email between meetings.