

Title:	Audit and Finance Committee Terms Of Reference
Date of Creation	February 28, 2007 (by Finance & Audit Committee)
Date of Approval	October 28, 2015 (by Board of Directors)
Date of Review	May 20, 2016 (by Finance & Audit Committee)
Date of Approval	June 28, 2017 (by Board of Directors)

MANDATE:

The Audit and Finance Committee (“Committee”) is the standing Committee of the Board of Directors (“Board”). The purpose of this Committee is to:

- Assist the Board in fulfilling its oversight responsibilities relating to financial reporting, audit activities, financial risk management, and internal controls.
- Review and evaluate the investment strategies to ensure their consistency with the Board approved Investment Policy.
- Provide recommendations of changes or additions to the Board’s policies that can assist the Board in fulfilling their oversight responsibilities.
- Assist with any matters required for fulfillment of the Board’s mandate and fulfill any other specific responsibilities and duties assigned to Committee, by the board.

COMPOSITION:

- The Committee shall be comprised of the Board Treasurer, who shall serve as Chair, and a minimum of two (2) Directors, as appointed annually by the Board. The Committee may also include volunteers from the community.
- The members of the Committee should be financially literate as the Board, in its business judgment, interprets such qualification.
- At least one member of the Committee should have a recognized Canadian accounting designation.
- The Committee shall operate in a manner that is consistent with the Committee Terms of Reference and accepted principles of good governance, and any governance policies or guidelines approved by the Board.
- The Committee is administratively supported by the Controller.
- At the invitation of the Chair, employees, consultants or other experts may attend any portion of the meeting.
- The Committee will meet at least once every quarter or more frequently as needed.
- The Committee will report to the Board following every Committee meeting and provide regular updates about the discussions during Committee meetings.
- A review of the Committee Terms of Reference will be completed annually.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following specific functions, duties and responsibilities:

A. External Audit:

- Initiate the external auditor selection process; including providing recommendation for approval by the Board for selection of external auditors (conduct a formal Request For Proposal, if required).

- Review, at least annually, the qualifications of the external auditor.
- Evaluate the external auditor appointment and provide recommendations to the Board about the firm and their compensation.
- Review and pre-approve any non-audit services to be provided by the external auditors.
- Review and approve the audit plan including the overall scope and the areas of identified risk.
- Meet with management to determine their views on the annual audit including any problems encountered.
- Meet with external auditors, including in-camera if necessary, to discuss the annual financial statements and related note disclosure. Determine the external auditor's views on the annual audit and any problems encountered.
- Review the management letter (if any) with the external auditors, and if appropriate, determine whether management has taken effective steps to remediate issues or implement the recommendations.
- Annually obtain management's confirmation that all statutory filings and requirements have been met.
- Review and recommend for approval to the Board the annual audited financial statements and related notes.
- Ensure auditors review annual report for consistency with the financial statements and other audit reports.

B. Financial Planning and Reporting:

- Review and report to the Board on compliance with Generally Accepted Accounting Principles.
- Provide direction in setting up budget process when necessary. Review and recommend approval to the Board the annual operating and capital budgets.
- Review and recommend approval to the Board the monthly financial statements including financial performance compared to the budget.
- Review and report to the Board any changes in accounting policies or significant transactions which impact financial statements in a significant manner.
- Review and approve journal entry report prepared and recorded by management on a monthly basis, as required (i.e. where required due to insufficient segregation of duties).
- Provide strategic advice to CEO and the Board regarding any matters that would require input from Committee.

C. Financing and Investing:

- The Committee shall monitor, evaluate and make decisions on behalf of the Board with respect to all investments, including both short-term and long-term investments ("Investments").
- Annually review the Investment Policy as related to the organization's mandate, review and recommend for approval to the Board any changes to the Investment Policy.
- Ensure that all Investments are consistent with the Investment Policy.
- Review the performance of Investment portfolio, and investment manager, and report the results to the Board semi-annually.

D. Risk Management and Internal Controls:

The Committee will oversee risk management in relation to the effectiveness of internal controls and financial reporting by:

- Reviewing and monitoring the integrity and effectiveness of internal controls to ensure compliance with accounting and financial reporting policies.
- Reviewing the financial reporting process, the audit process, the system of internal controls and management of enterprise risks related to technology and legal and regulatory compliance.
- Reviewing the scope of insurance policy coverage limits and policies for protection of assets, including data security, data integrity and business continuity.
- Reviewing procedures for detecting fraud and whistle blowing to ensure that the arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial controls or other matters.

ACCOUNTABILITY AND REPORTING RELATIONSHIP

The Committee is accountable to the Board and will report its discussions to the Board by maintaining minutes of its meetings and providing a report at the next Board meeting.

RESOURCES

- Audited financial statements and preliminary drafts and other related information as provided by the auditor.
- Monthly financial statements as provided by the organization.
- Information and consultation with the CEO and Controller, budgets and other accounting resources within the operations of the YWCA of Edmonton.
- The Controller shall provide necessary support and requested information to the Committee.

OTHER RELATED DOCUMENTS

- Investment Policy
- Purchasing Policy
- Signing authority policy