



FINANCE COMMITTEE TERMS OF REFERENCE

1.0 Responsibilities

The Committee:

- oversees the organization's internal accounting controls;
- recommends external auditors for Board approval;
- reviews the internal financial statements and other relevant financial reports
- reviews the external auditors' annual audit plan; and
- reviews the annual report, the management letter, and the results of the external audit.

The Committee is responsible for oversight of regulatory compliance, policies and practices regarding corporate responsibility, organizational financial risk assessment, and ethics and business conduct-related activities, including compliance with all laws.

The Committee develops and recommends to the Board risk assessments and financial principles, plans, reports, and courses of action that provide for mission accomplishment and organizational financial overall well-being. The committee will have the necessary resources to meet its objectives, including rights of access to management, and to auditors without management being present, and rights to seek explanations and additional information.

2.0 Membership and Term

The Vice-President, Finance/Treasurer is the Chair of the Committee.

Unless otherwise specified, the Chair has the right to select the at-large individuals of the Committee, subject to the approval of the Board. However, no member of the Committee will be an employee of the Association's partners.

The Committee will comprise the Chair, along with two to four at-large individuals who are financially literate. The Chair will determine the process to be used for Committee member selection.

Appointments will be for a renewable term of two years, to be counted from the date of the first meeting scheduled after the candidate's appointment.

3.0 Functions

The Committee should take prime responsibility for, but not be limited to:

- Develop and recommend to the Board, policies and principles for sound financial risk management.
- Review and approve the annual budget. The Executive Director shall submit the budget to the Board for its approval after review.
- The committee shall make recommendations with regard to the level and terms of indebtedness, cash management, investment policy, financial risk management, financial monitoring and reports, employee benefit plans, signatory authority for expenditures, and other policies for inclusion that the Committee determines are advisable for effective financial management.
- Review and approve all financial reports prior to Board approval.
- In conjunction with the Director of Finance & Administration, develop and maintain a Financial Management Manual, which shall include a Chart of Accounts (COA) reviewing compliance-related matters and overseeing the organization's risk management framework.
- Regularly review the organization's ongoing financial accounts, systems and delegations overseeing the relationship, appointment and work of external and internal auditors.
- Review OVA's risk assessment processes, monitoring and evaluation, and recommend policies and procedures for effective financial risk management practices. Ensure processes are in place to assess the likelihood and impact of possible incidents and ensure there is assessment of the actions required to minimize, avoid or eliminate potential financial risk, and review those processes. As risk is not only a negative element, the opportunity cost of not doing activities should also be considered.
- Ensure comprehensive business plans are developed as part of a financial risk management process to assess impact and potential outcome of large scale events / investments / activities and review those plans.

4.0 Meetings

The Committee meets at a minimum twice per year, either in person, by conference call, or by videoconference. The meeting location is at the call of the Chair.

5.0 Decision-making Process

Committee decisions will be by consensus where possible, but if voting occurs, each member in attendance is entitled to one vote. The Chair of the Committee is entitled to a second vote upon a tie. Any question of procedure shall be referred to the most recent edition of *Perry's Call to Order*. The agenda and meeting materials will be distributed at least 5 working days in advance of the meeting.

6.0 Subcommittees

The Chair may establish subcommittees to facilitate the Committee's work. Terms of reference are to be developed for subcommittees established under this subsection.

Subcommittee terms of reference shall, at minimum:

- (a) prescribe the duties of subcommittee members;
- (b) establish eligibility rules for appointees;
- (c) outline the appointment process;
- (d) prescribe limitations for the duration of appointments;
- (e) include procedures for removal of members; and
- (f) if desired, establish limitations on the duration of the subcommittee.

With respect to (d) above, appointments made by a subcommittee chair are limited to one year in duration but may be shorter. A subcommittee member may be reappointed at the discretion of the subcommittee chair.

7.0 Staff Support

In addition to the participation of the OVA Director of Finance, the Committee shall receive any additional administrative and financial support from the OVA that is needed to fulfill its mandate.

8.0 Communication with Board

The Chair will report to the Board after each meeting.

9.0 Communication with OVA

The Committee will communicate with the OVA Director of Finance and Administration as needed to seek explanations, additional information and to review finances as needed.