

## **FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE**

---

### **1 Purpose**

- 1.1 The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the Board for approval.

### **2 Duties**

#### **2.1 Audit**

- 2.1.1 Act as the Board's liaison with the Office of the Auditor General, including reviewing the audit plan with the auditors, discussing the results of the audit with the auditors, and receiving the auditors' report.
- 2.1.2 Review, discuss with management and recommend to the Board AUArts' audited financial statements

#### **2.2 Financial Planning and Reporting**

- 2.2.1 Review and make recommendations to the Board in respect to the financial impact of tuition and other mandatory non-instructional fees.
- 2.2.2 Review and discuss with management all financial matters affecting AUArts and report back to the Board.
- 2.2.3 Recommend the creation of a set of financial reports for review at each Board meeting.
- 2.2.4 Monitor effective Board policies are in place for the financial oversight of AUArts.
- 2.2.5 Review and discuss with management and recommend to the Board the proposed operating budget of AUArts.

## **FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE**

---

### 2.3 Accounting System and Internal Controls

2.3.1 Through discussions with management and the Auditors, obtain reasonable assurance that AUArts has implemented appropriate systems of internal control:

- over financial reporting and that these systems are operating effectively;
- to ensure compliance with its policies and procedures and that these systems are operating effectively;
- to identify, monitor, mitigate and report significant financial or operational risk exposures and that these systems are operating effectively;
- Monitor that AUArts has an effective process in place that provides appropriate alignment of financial resources with strategic directions.

### **3 Membership and Quorum**

- 3.1 The membership of the Committee comprises a minimum of three external Board members. The Board Chair and President + CEO are non-voting *ex-officio* members of the Committee and are not counted for the purposes of establishing quorum.
- 3.2 Internal Governors are not eligible to sit on the committee.
- 3.3 The Committee Chair is appointed by the Board and recommends other Committee members for Board approval.
- 3.4 A simple majority of Committee members constitutes quorum for the Committee.
- 3.5 Each member of the Committee has one vote.
- 3.6 Committee members have a term of office of two years, with the option to renew for two additional terms.

## **FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE**

---

### **4 Authority and Accountability**

- 4.1 The Committee acts in an advisory capacity to the Board and makes recommendations for ratification by the Board as a whole.
- 4.2 Members of the Committee, for the purpose of performing their duties, will have the right, as a Committee, and with the approval of the Committee Chair, to inspect and discuss books and records of AUArts that relate to the financial position of the institution for the purpose of a Committee review

### **5 Expected Conduct**

- 5.1 It is important that each member of the committee share his or her thoughts, concerns and opinions and that those thoughts be held in confidence by the entire committee. It is also important that each member of the committee hold the information provided in the strictest of confidence. The only exception to this is if the Board Chair expressly gives permission to disseminate information.

### **6 Meetings**

- 6.1 The Committee will meet a minimum of four times a year and more often as required to fulfill its mandate. A member of the Committee may request a special meeting at any time.
- 6.2 The Committee shall record and maintain official minutes of their meetings for audit and internal use only.

### **7 Resources**

- 7.1 The Committee is a Standing Committee of the Board and will be provided with the resources necessary to carry out its responsibilities.

### **8 Review**

- 8.1 The terms of reference will be reviewed yearly.