



MEDICINE HAT COLLEGE BOARD OF GOVERNORS POLICY MANUAL

GP- 6.2 Terms of Reference – Finance and Audit Committee

POLICY NAME: Terms of Reference – Finance and Audit Committee	POLICY NUMBER: GP-6.2
POLICY TYPE: Governance Process	DATE APPROVED: 17 November 2015 DATE REVIEWED:

1. Purpose:

- 1.1. The Finance and Audit Committee (where in referred to as “the Committee”) shall be a standing committee of the Board of Governors, accordingly it shall be governed by the policies of the Board.
- 1.2. The Committee shall be responsible for ensuring that the appropriate controls and accountabilities exist within the College with respect to finance and areas of significant risk, including but not limited to, environmental, legal issues and health and safety.
- 1.3. The Committee’s primary responsibilities are to monitor:
 - The College’s reporting processes.
 - Risk assessment.
 - External finance and audit functions.
 - College management’s response and progress on auditor recommendations.
 - Communication between the Auditor General and/or their representatives, College management and the College’s Board of Governors.
 - All college transactions to ensure compliance with appropriate standards.
 - Investment policy.

2. Authority

- 2.1. **Review Mandate** - annually review the Committee's mandate and recommend changes to the Board of Governors, if deemed necessary.
- 2.2. **Auditor General's Audit Plan** – annually review the Auditor General's annual Audit plan, including scope of engagement, assessment of independence, the financial statement audit plan (including materiality, assessment of control environment, audit approach and significant risk areas) and any other services that the Auditor General proposes to undertake.
- 2.3. **Auditor General's Audit Findings** – as follows:
 - Review all significant findings of the Auditor General during their annual audit of the College.
 - Report to the Board of Governors any significant findings of the Auditors, particularly those that are characterized as “*material*” and any specific management letter recommendations.
 - Follow up on and monitor management's respective progress on Auditor recommendations.
- 2.4. **Consolidated Financial Statements** - review and recommend, if deemed appropriate, that the Board of Governors approve the College's annual financial statements.
- 2.5. **Management Reports** - receive and review reports from management on areas of significant risk to the College, including but not limited to legal claims, environmental issues, health & safety, other regulatory matters of concern. This responsibility does not preclude College management from providing similar information on a more regular basis directly to the Board of Governors.
- 2.6. **Investment Policy** – review and development of the Investment Policy Statement; implementation of the Investment Policy including: appointment and monitoring of the Investment Consultants, Portfolio Manager, Custodians, agents and advisors; evaluation of the Funds performance; communication of the Fund's performance with the Board.
- 2.7. **Internal Controls** – monitor that appropriate controls and processes are in place to identify, report and control areas of material risk.
- 2.8. **Risk Management** – monitor risk assessment through the annual risk register and advise the Board appropriately of risk.
- 2.9. **Internal Audit/Business Review** – investigate any financial matters brought to its attention by the President and advise the Board.
- 2.10. **Ad Hoc Tasks** – perform such functions as may from time to time be assigned to the Committee by the Board of Governors, including special examinations as may be required, and if appropriate, retain special counsel or experts to assist.

3. Membership:

- 3.1. Voting members shall include the following:
 - Three public members from the Board of Governors.
 - Quorum is two voting public members from the Board of Governors.

- 3.2. Non-voting members shall include the following:
- Board Chair shall be an ex-officio non-voting member (as per Board Bylaw 6.3).
 - President shall be an ex-officio non-voting member (as per Board Bylaw 6.3).
 - Other non-voting members include – the Vice President, Administration and Finance and designated members who will provide administrative support to the committee.

- 3.3. Term of office – shall be as follows:
- One-year term.
 - Members shall be appointed or re-appointed annually at the first Board meeting of the academic year.
 - A member shall serve until they resign, or they are removed by direction of the Board of Governors, or until their term has expired.
 - The Finance & Audit Committee Chair shall not normally be the Chair of the Board of Governors. Board of Governors may, from time to time, select the committee Chair in the event that the Committee is unable to select a Chair.

- 3.4. Membership skill set – the public members selected for this committee should have or be prepared to obtain a reasonable degree of financial literacy. The members should have sufficient financial knowledge and experience to be an informed contributor to the tasks and duties of the Committee.

4. Meetings:

- 4.1. Minimum of four meetings a year, that will include, but not limited to, the following:
- Audit Entrance Conference (with the Auditor General's representatives)
 - Audit Exit Conference (with the Auditor General's representatives)
 - Quarterly review of budget
 - Monitoring of investments and the Investment Policy
- 4.2. Other meetings shall be struck, from time to time, at the direction of the Finance & Audit Committee Chair, to address issues of concern to the Committee and/or the Board of Governors.
- 4.3. Formal minutes shall be taken at all meetings of the Committee

