



Northlands College Terms of Reference FINANCE & AUDIT COMMITTEE

I. PURPOSE

The purpose of the Finance & Audit Committee is to:

- Ensure sound financial policies, practices, and controls are established;
- Serve as the Board's Audit Committee;
- Monitor significant financial planning, management, and reporting;
- Monitor the College's Enterprise Risk Management activities; and
- Make recommendations to the Board of Directors.

II. COMPOSITION

The composition of the Finance & Audit Committee shall be reviewed annually by the Board.

The Finance & Audit Committee shall consist of:

- At least two Board members, and the Chairperson of the Board as Ex Officio;
- The President & CEO;
- The VP of Finance & Operations;
- The Executive Coordinator

The Chair of the Committee shall consist of Board-appointed members. At least one member of the Committee will have demonstrated financial expertise, either through education or experience and an understanding of GAAP and financial statements, also experience in:

- Internal accounting controls;
- Preparation or auditing of financial statements;
- Explaining or developing estimates, accruals, and reserves; and
- Assessment of financial and operational risk.

The majority of members shall constitute a quorum. The Committee will meet a minimum of two times a year, such as on the pre-September Regular Board meeting and during audit planning in May. The Committee will maintain the authority to call a meeting exclusively among its members. An annual schedule will be drawn up at the beginning of each fiscal year.

III. RESPONSIBILITIES

The Finance & Audit Committee has the responsibility to:

1. Ensure that the Board's responsibility with respect to stewardship, legislative compliance, and monitoring and accountability of College operations is satisfied in an appropriate and timely manner.
2. Serve as the Finance & Audit Committee to:
 - a. Review the audit tender process and
 - b. Recommend the appointment of an auditing firm to the Board.
 - c. Meet with external auditors to ensure that:
 - i. The College has implemented the appropriate systems to identify, monitor, and mitigate significant business risks;



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- ii. The appropriate systems of internal controls, which ensure compliance with the College's policies and procedures, are in place and are operating effectively;
 - iii. The College's annual financial statements are fairly represented in accordance with Generally Accepted Accounting Principles (GAAP) and the Public Sector Accounting Standards (PSAS);
 - iv. Any matter brought forward by the external auditors has been given adequate attention to assist the Board, as a collective, in making a decision; and
 - v. The external audit function has been effectively carried out.
3. Monitor College operations by reviewing and reporting to the Board on:
 - a. Significant financial planning, management, and reporting issues; and
 - b. Reports from auditors and administration on internal control issues and other matters of importance.
4. Monitor and assess management initiatives to ensure appropriate Enterprise Risk Management with respect to:
 - a. Likelihood of occurrence and magnitude of impact;
 - b. Appropriate response strategy; and
 - c. Progress of initiative.
5. Make recommendations for Board approval and/or deliver reports to the Board in the following areas:
 - a. Annual operating and capital budget goals;
 - b. Annual audited financial statements;
 - c. Appointment of external auditors;
 - d. Policies related to financial management; and
 - e. Other matters relating to financial management as directed by the Board.

Policy Originated: September 2018	Approved by: Board of Directors
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