

## THE AGENCY FOR CO-OPERATIVE HOUSING

### POLICY MANUAL

**DATE ISSUED:**

June 2017

**NUMBER:**

1.3.1

**REPLACING ISSUE OF:**

June 2016

**CROSS REFERENCE:**

1.1.4: By-law No. 1, 1.4.2 Ethical Conduct

**REVIEW CYCLE:**

1 Year

**AUTHORITY:**

Board of Directors

**DUE FOR NEXT REVIEW:**

June 2018

**SUBJECT:**

Finance and Audit Committee Charter

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**STATUS:**

Standing Committee

**SOURCE OF AUTHORITY:**

Board of Directors (the Board)

**COMPOSITION:**

The Finance and Audit Committee (the Committee) has three members:

- the Treasurer of the Agency; and
- two members at large elected by the Board from among its number.

The Chief Executive Officer or a designated senior staff person attends meetings as a resource to the Committee.

**APPOINTMENT OF MEMBERS:**

1. The Board elects the two at-large committee members every year at its first meeting following receipt of the Member's annual resolution. At-large members serve for a one-year term. If an at-large position becomes vacant for any reason, the Board of Directors will appoint a replacement.
2. At least one member of the Committee must have significant expertise in accounting or financial management.

3. All persons elected or appointed to the Committee must be in compliance with the terms of any Agency policies governing ethical conduct or conflict of interest. No person who is in arrears to their housing co-operative may serve on the Committee.

**CHAIR:**

The Treasurer chairs the Committee.

**MEETINGS:**

1. Quorum for committee meetings is two members of the committee.
2. The Committee meets three times a year or more often, as necessary.
3. From time to time, the Committee convenes in camera, without staff present.
4. Meetings normally take place just ahead of meetings of the Board.
5. The auditor will be advised of all meetings and may elect to attend, at his or her option.

**FUNCTION:**

The role of the Committee is

1. to oversee the Agency's finances, including budgeting, collection of revenue, spending, investing and financial reporting;
2. to monitor and report to the Board on the Agency's financial position, operating results and cash flows, as against plans;
3. to review compliance with financial policies and resolutions;
4. to liaise with the Agency's auditors;
5. to advise the Board of Directors on financial matters.

## **DUTIES AND RESPONSIBILITIES:**

The Committee has the following specific duties and responsibilities:

1. to review and recommend financial policies to the Board;
2. to review and advise the Board on the financial aspects of agreements with CMHC and other government clients;
3. to review capital and operating budgets prepared by staff before their consideration by the Board;
4. to review five-year capital plans prepared by staff before their consideration by the Board;
5. to recommend an external auditor for appointment each year;
6. to review and recommend the annual audit plan and auditor's remuneration;
7. to review the external auditor's independence, performance and continuing qualifications periodically;
8. to ensure that an effective interim financial reporting system is in place;
9. to monitor the financial performance of the Agency;
10. to review quarterly financial statements and to discuss the annual audited financial statement with the auditor before its approval by the full Board;
11. to ensure that an effective system of internal controls is in place;
12. to review and recommend changes, as necessary, to the Agency's financial authorities and control systems;
13. to receive management's annual report on enterprise risk management;
14. to investigate and report to the full Board any financial irregularities or concerns about the soundness of the Agency's finances or the integrity of its financial reporting that come to the Committee's attention;
15. to monitor compliance with the Agency's financial policies, Board resolutions and the financial terms of the Agency's agreements with government clients;
16. to assess the collective performance of the Committee and to advise the Board of any concerns;

17. to perform any other tasks associated with the Agency's finances that the Board may give to the Committee.