

MP11: Finance Committee Terms of Reference

Overview

1. These Terms of Reference describe the purpose, scope and authority of S.A.R.P.'s Finance Committee. These Terms of Reference outline clear and specific information on how the Committee is organized, what it is trying to achieve, its decision-making authority and deliverables, who the members are, and when they meet.

Authority and Mandate

2. The Finance Committee will assist the Board of Directors in fulfilling its oversight responsibilities over S.A.R.P.'s financial reporting, internal control, and external audit.
3. The Committee serves in an advisory capacity to the Board and/or Executive Director.
4. The Committee may form sub-committees whenever necessary to facilitate the Committee's work.

Membership

5. The committee shall be composed of at least two (2) members, including a Chairperson. At least one member of the Committee shall be a S.A.R.P. Director. Members may be non-members.
6. The Board of Directors shall appoint the Chairperson of the Committee at the first meeting of the Board of Directors following the Annual General Meeting.
7. The Board of Directors shall appoint the other committee members or provide for the election of members of this committee.
8. The Vice-Chair of the Board shall sit on the Committee.
9. The Chairperson shall be appointed for a one-year term. Other Committee members shall be appointed for a one-year term.
10. The Board may replace the Chairperson of the Committee at any time. The Board may remove any member of the Committee at any time (other than the Vice-Chair) and fill any vacancy at their discretion.
11. The Chair of the Board shall be an ex-officio and non-voting member of the committee.
12. The Executive Director shall be an ex-officio and non-voting member of the committee.
13. At the request of the Committee, S.A.R.P. staff, management, external auditors, insurance brokers, or other persons may be invited to attend meetings of the Committee.

Duties and Responsibilities

14. The Committee shall:
 - a. Review and adhere to the Terms of Reference.
 - b. Review and approve the annual financial statements and report of the external auditors;

- c. Review the interim financial statements and forecast to year end;
 - d. If requested by the Board, review any other financial information for presentation to stakeholders;
 - e. Review the independence, appointment and engagement terms of the external auditors;
 - f. Review any audit findings and management report(s) issued by the external auditors;
 - g. Review the design of internal controls to process and produce financial information, detect fraud or other misstatements, process and safeguard information technology, and ensure compliance with laws, regulations and contractual obligations;
 - h. Review the annual operational budgets and management's monitoring thereof;
 - i. Review the identification and mitigation plans to address key financial and operational risks;
 - j. Review the selection of financial policies and significant management estimates and judgements;
 - k. Review the expense claims of the Executive Director;
 - l. Review the insurance program, litigation claims and/or possible claims;
 - m. Provide counsel or advice to operations staff and/or the Board, as requested;
 - n. Perform such additional tasks as may be assigned to the committee by the Board or by the Executive Director.
 - o. Suggest updates to these Terms of Reference to the Board.
15. The Committee is authorized by the Board to investigate any matter that falls within the Terms of Reference.

Procedures

16. The Committee shall keep minutes of the discussion including its findings and recommendations.
17. The Committee shall meet virtually or in-person, quarterly, at minimum, or as necessary at the discretion of the Chairperson.
18. The Chairperson is required to call a meeting of the committee if requested to do so by:
- a. Any committee member
 - b. The Chair of the Board of Directors
 - c. The Executive Director
19. The Chairperson shall distribute the agenda to committee members at least 24 hours in advance of a scheduled meeting. The agenda shall include the following items:
- a. Approval of the agenda
 - b. Approval of the minutes from the previous meeting
 - c. Declaration of Conflict of Interest
 - d. Ongoing business
20. Quorum will be a majority of the committee members.

Resources

21. The Committee shall have access to resources to fulfill its duties as requested, as approved by the Board of Directors and/or the Executive Director.

Reporting

22. The committee will submit regular reports to the Board.
23. When the Board requires the Committee to make a decision or take a position on a matter, the Committee will make its decision or determine its position by majority vote of the Committee's members.
24. The committee will record minutes of all meetings. All minutes will be forwarded to the Executive Director.
25. The Chairperson, or designate, may be invited to S.A.R.P.'s Annual General Meeting to report on its activities.

Review Frequency: Biennially in November

Last Reviewed: June 2024