

## **Terms of Reference**

### **Finance and Audit Committee**

#### **PURPOSE**

To assist the Board to carry out governance responsibilities related to approving annual budget and monitoring the financial management of the College.

To ensure the adequacy and effectiveness of financial reporting, internal controls, management information systems and risk management, and that the allocation of financial resources is aligned with the College's strategic priorities.

#### **TYPE OF COMMITTEE**

The Finance and Audit Committee is a standing committee of the Board.

#### **ACCOUNTABILITY AND AUTHORITY**

The Finance and Audit Committee is accountable and reports to the CFPC Board of Directors.

The Committee shall have access to any and all books and records of the College required for the execution of its obligations and, as necessary, shall discuss with appropriate officers and employees, coordinated through the Office of the Executive Director and Chief Executive Officer, such records and other relevant matters.

The Committee shall have the authority to retain external advisors, experts or consultants, in order to properly discharge its duties and responsibilities.

#### **COMMITTEE MEMBERSHIP/TERMS OF OFFICE**

The committee shall consist of the following:

- Honorary Secretary-Treasurer of the CFPC Board (for a one-year term)
- President of the CFPC Board (for a one-year term)
- President Elect of the CFPC Board (for a one-year term)
- Chair of the Section of Residents or their designate (for a one-year term)
- Up to two Board members at large (for up to a three-year term), renewable once
- Up to two Members at large (for up to a three-year term), renewable once
- A Subject Matter Expert (SME) for a three-year term, renewable once

Additionally, the Incoming Treasurer will be a voting member of the Committee.

#### **CHAIR**

The Chair shall be the Honorary Secretary-Treasurer of the CFPC Board of Directors.

#### **MEETINGS**

The committee will meet at least four times a year (in-person or virtually). Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any Committee member or the External Auditor.

The Committee Chair has the responsibility to excuse any elected member of the Committee, from any given topic, who might be perceived to have a conflict of interest

A quorum at any meeting of the Committee shall be a majority of the committee members present in person or by telephone or other telecommunications device that permits all persons participating in the meeting to speak and hear with one another.

Subject to the By-laws and any resolution of the Board, the Committee may otherwise meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard.

The Committee shall have the right to determine who shall and shall not be present at any part of the meetings of the Committee and may hold in-camera sessions.

## **MINUTES**

An outline of material proceedings and deliberations addressed by the Committee, and all recommendations, decisions and directives of the Committee shall be recorded in the minutes of the meeting

A draft copy of the minutes of such meeting(s) shall be circulated to the Committee prior to the next Committee meeting, where practicable, for approval by the Committee. A Committee member may request that the minutes be revised to include specific deliberations. Following approval of the minutes of the meeting by the Committee as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee shall be re-circulated to the Committee.

## **DUTIES AND RESPONSIBILITIES**

- 1) Make recommendations and/or report to the Board re the following:
  - a. Annual operating and capital budgets and business plans, including the appropriateness and validity of material assumptions and estimates used to prepare such budgets or plans
  - b. Scope and status updates for College-wide Information Technology initiatives that have a cumulative amount (initial assessment, capital costs and maintenance costs) of \$1M or greater – up to 4 times a year
  - c. Financial Forecasts
  - d. CFPC reserve funds
  - e. CFPC investments and Investment Policies
  - f. CFPC Employee Pension Fund Investments and Policies
  - g. Quarterly/Semi-Annual/Annual financial statements with respect to the financial performance of the College
  - h. Pension actuaries' reports
  - i. Policies related to financial management.
  - j. Policies and plans related to risk management.
  
- 2) Fulfill the function of an Audit Committee:
  - i. Review the qualifications, independence, quality of service and performance of the auditors and periodically recommend to the Board the appointment or the discharge of the external auditors
  - ii. Review the College's relationship with the external auditor, including approving the terms of their audit engagement and related fees (the "Annual Audit Plan");
  - iii. Ensure compliance with legal and regulatory requirements as they relate to the CFPC's financial statements
  - iv. Meet with the external auditors to review and/or ensure that:
  - v. The CFPC has implemented appropriate systems to identify, monitor and mitigate significant business risk.
    - The appropriate systems of internal controls in relation to financial reporting, management information systems and risk management, which ensure compliance with CFPC policies and procedures, are adequately in place and operating effectively,

- The CFPC's and the Employee Pension Fund's annual audited financial statements:
  - are fairly represented in all material respects in accordance with generally accepted accounting principles;
  - properly reflect the significant accounting policies selected;
  - reflect estimates and other financial statement elements that are reasonable and consistent;
  - adequately disclose all major transactions and issues;
  - disclose all post-year-end significant events; and
  - are understandable, relevant, reliable and comparable.
- vi. An in-camera session with the External Auditor is performed to review the results of the external auditor's audit of the College's and Pension Plan's financial statements, including the management letter, and report to the Board any matter remaining unresolved.
- vii. The external audit function has been effectively carried out.

### **SUPPORT STAFF**

Executive Director and Chief Executive Officer

Executive Director, Academic Family Medicine

Executive Director, Corporate Services

Executive Director, Professional Development and Practice Support

Executive Director, Member and External Relations

Executive Director, Information and Technology Services

Director, Finance and Asset Management

Director, Governance and Strategic Planning

Manager, Finance and Administration (will also serve as the Recorder of the Committee meetings)

### **EXTERNAL ADVISORS (OPTIONAL)**

External Auditor

Portfolio Manager, Investment Firm

### **CONFIDENTIALITY**

All deliberations of the Committee, and all records, material and information pertaining to the College obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access and distribution.