

Manitoulin-Sudbury District Services Board POLICY & PROCEDURES MANUAL	
Section: B. General Administration	Effective Date: May 1, 2013
Topic: 2. Governance	Replaces: Nov. 1, 2011
Subject: 2.16. Finance Committee	
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Terms of Reference

1. COMPOSITION OF THE COMMITTEE

The Finance Committee (the "Committee") is created by and responsible to the Board of the Manitoulin-Sudbury District Services Board (DSB).

The Committee shall be comprised of Board members and be elected by the Board of Directors of the DSB. The number of directors on the Finance Committee shall change from time to time. Effective January 1, 2009 there shall be six (6) members of the Committee plus the Board Chair who shall sit as an ex-officio member. The quorum at a meeting shall be four (4) members.

2. MANDATE OF THE COMMITTEE

The Committee shall monitor, evaluate, advise and make recommendations to the DSB with respect to policies and strategic matters related to Finance for which the Board is responsible. The Committee shall also consider any other matter delegated to the Committee by the Board.

3. TERMS OF REFERENCE

The duties and responsibilities of the Committee shall include the following:

- Review the integrity and effectiveness of policies regarding the financial operations, systems of internal control and reporting mechanisms of the Board and ensure that they are in accordance with generally accepted accounting principles and practices;
- Inquire into the major financial risks faced by the Board and the appropriateness of related controls to minimize their potential impact; and
- Review control weaknesses detected in the prior year's audit and determine whether all practical steps have been taken to overcome them.

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Annual Financial Statements

- Review the audited financial statements of the Organization and report to the Board prior to the Board's approval **if required**;
- **If required** review the external auditor's post-audit or management letter which may document weaknesses in the accounting system or in the internal control systems and which contain recommendations of the external audit, and management's response and subsequent follow-up to any identified weakness;
- Meet with the external auditors with regard to the adequacy of the internal accounting controls and similar matters, and review management responses to ascertain whether there are concerns that should be brought to the Committee's attention;
- Review any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management, or situations where management seeks a second opinion on a significant accounting issue; and
- Meet privately with management to determine whether the external audit was performed in a professional manner, in accordance with the audit engagement letter and any other contractual agreement in place for these services, and to receive management's recommendation regarding the appointment or re-appointment of external auditors.

Financial Policies

- Ensure that Manitoulin-Sudbury DSB has appropriate policies and procedures in place for the operation of the Finance Department.

Budget

The Committee will review the budget and make a recommendation to the full Board.

Budgets must be passed by a simple majority of the Board to be accepted.

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4. ORGANIZATION AND PROCEDURES

- The committee will meet from time to time at the call of the Chair.
- The Chair of the Board and the Chair of the Committee shall, in consultation with the Chief Administrative Officer and the Director of Finance, set the agenda, which shall then be circulated among the Committee members.
- The Director of Finance shall act as secretary of the Committee.
- The Committee will annually review its own terms of reference to ensure they continue to be appropriate, assess its own performance, establish an annual work plan (a copy of which shall be provided to all Board members) and make recommendations to the DSB Board as required.

5. REPORTING

The Chair of the Committee shall provide an oral report with respect to its activities, discussions and recommendations as appropriate.