

Subject: Finance & Audit Committee, Terms of Reference	Date Approved: December 17, 2008
Approved by: Board of Directors	Date Revised: December 17, 2014 October 26, 2009
Specific to: All Staff, Board of Directors	Next Review Date: September 2017

PURPOSE:

The purpose of the Finance and Audit Committee is to monitor significant financial planning, management and reporting matters of the NHFHT. The Committee will also make recommendations and ensure the delivery of reports to the Board of Directors as well as serving as the Board’s audit committee.

The objectives are:

- To ensure oversight of both governance and management functions
- Assist the Board of Directors in meeting its responsibilities for financial, investment, insurance, emergency compliance and accounting matters;
- Review, provide input and recommend for approval the financial and budget reports prepared by management
- Act as audit committee and review annual audited statement of independent auditor

COMPOSITION:

- The Treasurer of the Corporation who will serve as Chair of the committee
- And two (2) other individuals who are not Directors
 - Executive Director
 - Business Manager
- At least one (1) member of the Committee shall have accounting or related financial management expertise.

ACCOUNTABILITY:

Board of Directors of the North Huron Family Health Team (NHFHT) and vicarious accountability to the Ministry of Health.

AUTHORITY:

The primary responsibility for the NHFHT's financial reporting, accounting systems, and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit and Finance Committee is a standing committee of the Board established to assist the Board in fulfilling its responsibilities in this regard.

The Audit and Finance Committee shall have unrestricted access to the NHFHT's documents and auditors and will be provided with the resources necessary to carry out its responsibilities. In carrying out its mandate, the committee's review of the various activities of the NHFHT shall include such investigation, analysis, and approval as it may consider necessary.

DUTIES AND RESPONSIBILITIES:

The Finance Committee has the responsibility to:

- A. Make recommendations for Board approval and/or deliver reports to the Board in the following areas:
 - Annual Operating and Capital Budgets
 - Annual Audited Financial Statements
 - Appointment of Auditors
 - Policies related to Financial Planning
- B. Provide Information to the Board on:
 - Significant financial planning, management and reporting issues
 - Interim Financial Reports
 - Reports from Auditors and administration on internal control issues and matters
- C. Serve as the Audit Committee to:
 - Review the audit tender process
 - Recommend the appointment of an auditing firm
 - Meet with the external auditors to ensure that;
 - The FHT has implemented appropriate systems to identify, monitor and mitigate significant business risk
 - The appropriate systems of internal control, which ensure compliance with FHT policies and procedures, are in place and operating effectively
 - The FHT's annual financial statements are fairly represented in all material respects in accordance with generally accepted accounting principals
 - Any matter that the external auditors wish to bring to the attention of the Board has been given adequate attention
 - The external audit function has been effectively carried out
- D. Other matters in connection with the annual audit including:
 - The scope of the engagement and procedures to be followed
 - Audit Fees
 - An assessment of the auditor's performance

FINANCIAL CONTROL:

- Review the integrity and effect of existing policies regarding the financial operations, systems of internal control and reporting mechanisms and that they are in accordance with generally accepted accounting principles and provisions and their appropriateness to minimize potential financial risks
- Review the procedures for establishing remuneration and benefits, and for approving expenses
- Review financial statements quarterly, discuss causes of significant variances and plans for corrective actions, and report to Board; recommend approval of the financial statements to the Board
- Address issues regarding quality of the NHFHT's financial management
- Develop and recommend to the Board appropriate policies to guide the financial affairs of the FHT

LEGISLATIVE COMPLIANCE:

Review with the Executive Director and auditors the process used to ensure compliance with appropriate

legislation (e.g. Income Tax Act, GST, PST, Employment Standards Act)

FINANCIAL RISK MANAGEMENT:

- Enquire into the major financial risks faced by the Corporation, and the appropriateness of related controls to minimize their potential impact.
- Ensure that adequate insurance is in place

FINANCIAL PLANNING:

- Review and recommend to the Board approval of the annual operating budget prior to submission to funders.
- Review and recommend an investment policy and monitor portfolio performance.
- Identify opportunities for the NHFHT to increase its revenues.

REPORTING:

Provide reports to the Board of Directors discussing the actions it has taken and the assistance the Committee has had in fulfilling its duties during the past reporting period.

OTHER:

Review terms of reference as required. Submit annual work plan to the Board to be integrated into Board work plan.

Invitees

Such invitees without vote as the Committee wishes to invite to assist with its deliberations.

Chair

See “Composition” above.

Term

Members are appointed for a minimum one-year term to a maximum of three years.

Meetings

The Committee shall meet at least three (3) times yearly. Meetings are closed except for invitees.