



**Finance & Audit Committee  
Terms of Reference and Mode of Operation**

**Approved: CRKN Board of Directors, October 14, 2004**

**Revised: CRKN Board of Directors, February 18, 2005**

**Revised: CRKN Board of Directors, May 5, 2008**

**Purpose:**

The purpose of the Finance & Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and making recommendations to the Board regarding:

- Financial information, including audited financial statements, that will be provided to the Board of Directors and other stakeholders;
- Strategic financial plans and the annual operating budget;
- The systems of internal controls;
- Internal audit processes; and
- Investment management activities.

**Terms of Reference:**

The CRKN Finance & Audit Committee is established by the Board of Directors, and is responsible for:

- Advising the Board on all financial matters affecting CRKN;
- Recommending auditors for appointment;
- Reviewing scope of the audit and approving the audit fees involved;
- Receiving and reviewing the audited financial statements of CRKN as to reasonableness of presentation, appropriateness of accounting principles and adequacy of disclosure prior to their submission to the Board;
- Receiving and reviewing written annual report of the auditor;
- Reviewing the objectives and effectiveness of the internal audit function, including working relationships with the auditors and the administration;
- Recommending the annual budget to the Board;
- Determining whether revised budgets are necessary and to recommending accordingly to the Board;
- Advising the Board on specific matters relating to financial exigencies;
- Reviewing on behalf of the Board all contracts, agreements or other instruments involving the financial affairs of CRKN and which are to be presented to the Board and to make recommendations to the Board regarding appropriate action;



- Ensuring that CRKN has an effective process in place that provides appropriate alignment of financial resources with strategic directions;
- Promoting transparency and accountability in all financial and planning activities of CRKN;
- Assuming such other responsibilities as from time to time may be delegated by the Board.

#### **Membership:**

- 3 members from the Board of Directors (Treasurer + 2 additional Board members)
- 3 individuals from CRKN member institutions who bring additional financial knowledge and expertise

The CRKN Executive Director is entitled to participate in the committee but has no vote as a member of the committee. CRKN staff and University of Ottawa staff may be called upon to participate in meetings as resource personnel, as required.

#### **Appointment Process:**

- Finance & Audit Committee members are appointed by the Board of Directors, upon recommendation of the Nominating Committee

#### **Term:**

- Maximum three-year term, normally once renewable

#### **Chair:**

- The Finance & Audit Committee is chaired by the Treasurer

#### **Meetings:**

- Meetings may be held at any place as the Chair may determine
- Meetings may be held at any time provided written notice has been given to each committee member at least 7 days, exclusive of the day on which notice is given, before the meeting is to take place. Notice of meetings may be waived by unanimous written consent of committee members
- Quorum for meetings is a majority of committee members
- Normally the Finance & Audit Committee meets at least once per year in person, and via teleconference as required
- Additional deliberations may be conducted via email between meetings as required



- In order to maintain the balance of representation and to ensure continuity and effectiveness of the Finance & Audit Committee, substitution of representatives at meetings is not permitted

#### **Lines of Accountability and Communication:**

- The Finance & Audit Committee is accountable to the Board of Directors
- The Chair of the Finance & Audit Committee reports on its activities to the Board of Directors, and submits written recommendations as required for the Board of Directors' consideration
- Minutes and documents of the Finance & Audit Committee are held confidential, and not for redistribution by committee members
- Distribution of meeting summaries, minutes and documents is handled by the Executive Director through the corporation office, to ensure accurate and consistent information is distributed to appropriate parties
- Upon approval of the minutes of Finance & Audit Committee meetings, the Executive Director posts a copy in the restricted Committees area of the website, accessible only to members of the Finance & Audit Committee and the Board of Directors
- Official documents and communications are made available in French and English

#### **Financial and Administrative Policies:**

- Service on the Finance & Audit Committee is non-remunerative
- Travel and meeting expenses for Finance & Audit Committee members are reimbursed according to the policies of CRKN and consistent with policies and procedures of the University of Ottawa
- Members of the committee will comply with Board-approved conflict of interest guidelines and procedures.