



Canadian Research
Knowledge Network

Réseau canadien
de documentation
pour la recherche

Finance & Audit Committee (FAC) Terms of Reference

Approved: CRKN Board of Directors, October 20, 2020

Purpose:

The Finance & Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by monitoring the organization's financial health and ongoing sustainability, and making recommendations respecting the sufficiency, transparency, and integrity of its internal controls, risk management activities and independent audit process.

Terms of Reference:

The CRKN Finance & Audit Committee is established by the Board of Directors as a Standing Committee of the Board, pursuant to section 12 of the Corporations' By-laws. The Finance & Audit Committee is responsible for:

- Advising the Board on all financial matters affecting CRKN
- Recommending auditors for appointment, reviewing scope of the audit and approving any audit fees
- 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 and recommendation to the Board
- Receiving and reviewing the written annual report of the auditor
- Recommending the annual budget to the Board, including recommending annual membership and other fees
- Advising the Board on specific matters relating to financial exigencies, including determining whether budget revisions are necessary and recommending them accordingly to the Board
- Advising the Board on the sufficiency and adequacy of CRKN's risk management and contingency planning, including cybersecurity, privacy and information risk management
- Reviewing and evaluating all business plans, contracts, agreements, or other instruments involving the financial affairs of CRKN to advise and support the Board
- Ensuring that CRKN has an effective process in place that provides appropriate alignment of financial resources with approved strategic directions
- Promoting transparency and accountability to the membership in all financial and planning activities of CRKN
- Assuming such other responsibilities as from time to time may be delegated by the Board

The Committee will take a consultative approach to its work, engaging members as appropriate, and will provide regular feedback through the channels outlined below in Lines of Accountability and Communication.

Membership:

- Two (2) members from the Board of Directors (The CRKN Treasurer serving as chair, plus one additional Board member, both appointed by the Board)
- Three (3) individuals from CRKN member institutions with relevant financial knowledge and enterprise risk management experience
- One (1) member from a CRKN member institution with expertise in cybersecurity and information privacy, such as a CIO or equivalent

Pursuant to section 13(4) of the Corporation's By-laws, the CRKN Executive Director is entitled to be present at and to participate in all meetings of any committee of the Board (unless the chair of the meeting requests that the Executive Director not be present for all or part of a meeting), and is entitled to receive notice of meetings and all information provided to members of any such committee relating to matters before the committee, but will have no right to vote as a member of a committee with respect to any matter.

At the discretion of the Executive Director, and in consultation with the Treasurer, other CRKN 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 Executive Committee
- The Board appoints the Treasurer from among its membership, pursuant to section 13 of the Corporation's By-laws.

Term:

- Three-year staggered terms, normally once renewable
- The Treasurer holds office for a term of three years or until such person is no longer a member of the Board, pursuant to section 13 of the Corporation's By-laws.

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 3 or more times via teleconference as required

- Additional deliberations may be conducted via email between meetings as required

Lines of Accountability and Communication:

- The Finance & Audit Committee is accountable to the Board of Directors
- The Treasurer 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
- The Executive Director is responsible for the accurate and consistent distribution of meeting documents, minutes, and summaries.
- Public 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, including the Travel Expense Policy
- Members of the committee will comply with Board-approved governance and organizational policies, including code of conduct and conflict of interest policies