



Finance & Audit Committee Terms of Reference

Approved: CRKN Board of Directors, October 14, 2004
Revised: CRKN Board of Directors, February 18, 2005
Revised: CRKN Board of Directors, May 5, 2008
Revised: CRKN Board of Directors, February 3, 2012
Revised: CRKN Board of Directors, January 17, 2014

Purpose:

The purpose of the Finance & Audit Committee is to assist the Board in fulfilling its oversight responsibilities by monitoring and making recommendations respecting the sufficiency, transparency, and integrity of the organization's financial health and sustainability. The committee will also monitor and review the effectiveness of CRKN internal controls, risk management activities and the conduct of the 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 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;
- Recommending the annual budget to the Board, including recommending the annual membership fee;
- 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; and,
- 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 to members through the channels outlined below in Lines of Communication.

Membership:

- Two (2) members from the Board of Directors (The CRKN Treasurer serving as chair, plus one additional Board member); and,
- Three (3) individuals from CRKN member institutions who bring additional financial knowledge and expertise

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 Committee Chair, 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 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 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
- 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, CRKN staff 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
- 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