

## FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

**MEMBERSHIP:**

President  
Vice-President  
Treasurer  
Two Board of Director members  
CEO (non-voting)  
CFO (non-voting)

**TERM:** Coinciding with Board of Director terms

**CHAIRPERSON:** Treasurer

**APPOINTMENT:** Coinciding with Board of Director roles.

**MINISTRY/DEPARTMENT RESPONSIBLE:** Finance Department

**MEETINGS:** Quarterly. The Committee may schedule additional meetings as required.

**QUORUM:** Majority of members

**VOTING:** Majority

**PURPOSE:**

The Finance and Audit Committee is responsible to help oversee the annual operating budget and monitor financial management and reporting. The Finance and Audit Committee will assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, system of internal controls, audit process, risk assessment and mitigation strategies, budget process, within the Board of Directors approved strategic vision and plan. The committee's responsibilities include:

Financial Accounting and Reporting Oversight

1. Review monthly/quarterly financial information.
2. Monitor the financial performance of MNBC to the budget and report any significant variances and their reasons to the Board of Directors.
3. Review the draft annual budget and multi-year financial plans and recommend them to the Board of Director for approval.
4. Review the quarterly/annual financial statements.
5. Review the annual report of MNBC and recommend it to the Board of Directors for approval.
6. Make any other recommendations to the Board of Directors on any matter in respect of the financial administration.

Audit Oversight

7. Meet with MNBC's auditor on behalf of MNBC.
8. Make recommendations to the Board of Directors on the selection, engagement and performance of MNBC's auditor.
9. Receive assurances on the independence of the appointed auditor.
10. Review and make recommendations to the Board of Directors to approve the annual audit plan of the external auditor, including the scope of the audit to be performed.
11. Review management letters containing any recommendations of the external auditor and management's response.

12. Review the annual audited financial statement and discuss them with the auditor as required.

#### Other Responsibilities

13. Review risk management plan and risk assessment and provide input to the identification, monitoring and review of the risk assessment process.
14. Provide recommendations to the Board of Directors regarding the risk management plan and fraud risk assessment.
15. Approve any changes of signatory for MNBC's bank accounts.
16. Review and update delegated authorities as required.
17. Ensure appropriate cash management and investing protocols are in place.
18. Ensure accountability and transparency in all financial systems and processes.
19. Ensures that financial systems incorporate adequate risk considerations.

#### **REPORTING MECHANISM:**

The committee will keep high-level notes of all meetings which will be forwarded to the MNBC Board of Directors for review. The committee will make recommendations to the Board of Directors.

#### **EXPENSES:**

Meeting expenses must be submitted to the CEO for pre-approval. Individual committee member expenses are reimbursable by MNBC according to approved policy.

#### **TERMS OF REFERENCE REVIEW:**

The Terms of Reference will be revised as appropriate and presented to the Board of Directors for their review and approval when necessary.