



# FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

## Terms of Reference

September 2023

### 1. Mandate

- 1.1. The Finance, Audit and Risk Management Committee (the “Committee”) is an advisory committee of the Board of Speed Skating Canada (SSC). It is responsible for advising the Board on issues related to financial auditing and reporting, financial policies and strategies, financial and other risk management, and compliance with legal obligations.
- 1.2. The Committee will have access to members of management, employees, and all relevant information, and may engage independent counsel and other advisors as necessary to carry out its responsibilities.
- 1.3. The Committee will exercise its mandate in accordance with the Board guidelines and such additional provisions as are set out in these Terms of Reference and will do so with the support of the SSC Board or management.

### 2. Policies and Code of Conduct

- 2.1. Committee members are subject to and shall abide by all SSC policies and codes of conduct.
- 2.2. Conflict of Interest
  - 2.2.1. Each Committee Member shall provide a signed declaration annually declaring any conflicts of interest and provide a verbal declaration of any conflicts of interest at each meeting of the committee; and
  - 2.2.2. Each Committee Member and any other person attending a meeting of the Committee shall declare any conflict of interest regarding specific matters arising while conducting or present for Committee business.
  - 2.2.3. A Committee Member who declares a conflict of interest will physically or virtually remove themselves from the discussion relating to the matter giving rise to the conflict and not vote on the matter.
- 2.3. Confidentiality
  - 2.3.1. Each Committee Member shall sign a confidentiality agreement at the beginning of their term confirming their understanding of their obligations to Speed Skating Canada.



### 3. Duties

- 3.1. The duties of the Committee are to assist the Board of Directors in fulfilling its responsibilities by reviewing and making recommendation in respect to (but not limited to):
  - 3.1.1. Advise the Board on compliance with legal and regulatory requirements.
  - 3.1.2. Determine the adequacy of the SSC's internal financial controls and procedures for financial reporting to the Board, Members, and funding agencies.
  - 3.1.3. Annual review of SSC's inventory of policies and the identification of policy gaps and priorities in individual policy development.
  - 3.1.4. Review and oversee the implementation of financial policies to safeguard SSC's assets, revenue streams, and ensure long-term financial health.
  - 3.1.5. Advise the Board on the appropriate level of financial reserves as appropriate.
  - 3.1.6. Advise the Board on investment performance and strategies as appropriate.
  - 3.1.7. Review the finance report from management on significant budget variances, quarterly or as determined by management.
  - 3.1.8. Review the annual draft Financial Statements and identify risks, issues, or concerns to be considered by the Board during the approval process. Review and approve the independence of the auditor, scope and plan of the annual audit and audit fees to be paid. Annually recommend the appointment of an auditor at the SSC Annual General Meeting.
  - 3.1.9. The Treasurer will meet with the external auditor after completion of the annual audit and before audit results are presented to the Committee.
  - 3.1.10. Ensure that any risks, issues, or concerns raised by the auditor are promptly and satisfactorily addressed.
  - 3.1.11. On the recommendation of the Board, provide timely communication to the membership as to the financial position of the association vis a vis its annual budget. Review financial information to be included in the Annual report.
  - 3.1.12. Provide expertise to enhance the quality of Board discussion on financial matters and facilitate effective Board financial decision-making.
  - 3.1.13. As required, receive reports, and advise the Board on any material government investigations, litigation, contractual dispute, or legal matters.
  - 3.1.14. Advising the Board on SSC risk management and the related insurance policies and coverage. Annual review of the insurance renewal.
  - 3.1.15. Oversee the development of an Enterprise Risk Management (ERM) process and policy for SSC, and such changes as may be prudent from time to time to update that Policy. Annual review and evaluation of an SSC Risk Register, mitigating controls, and reporting to the Board as appropriate.
  - 3.1.16. Review of the annual budget and recommendation to the Board for approval. Guiding the Board's oversight of SSC's response to urgent or emergent risk management issues that arise on important matters.
  - 3.1.17. Additional duties as may be delegated to the Committee by the Board.



## 4. Composition, Appointment and Roles

- 4.1. The Committee will be composed of the SSC Treasurer (as Chair) and up to two additional persons who are appointed by the Board up to two of whom may be members of the Board. In addition to board members, the committee will be complemented by the Director of Finance of SSC.
- 4.2. All members of the committee will be financially literate.
- 4.3. The board, in its judgement, may ask the membership for advice and possible candidates for the Committee.
- 4.4. At any time, the President and/or the CEO of SSC may participate in meetings and discussions.
- 4.5. Annually, at the first Board Meeting following the AGM, the Board will approve the membership of the Committee.
- 4.6. The **Committee Chair** leads the Committee's operations and is accountable to the Board for the successful functioning of the Committee. In particular:
  - 4.6.1. The Chair sets the agenda for each meeting.
  - 4.6.2. The Chair ensures that the agendas and supporting materials are delivered to the Committee members in advance of meetings.
  - 4.6.3. The Chair makes the purpose of each meeting clear to Committee members and explains the agenda at the beginning of each meeting.
  - 4.6.4. The Chair clarifies and summarizes what is happening throughout each meeting.
  - 4.6.5. The Chair keeps the meeting moving by putting time limits on each agenda items.
  - 4.6.6. The Chair encourages broad participation from Committee members during discussions.
  - 4.6.7. The Chair ends each meeting with a summary of decisions and assignments.
  - 4.6.8. The Chair follows up with consistently absent Committee members to determine if they wish to discontinue as a member of the committee.
  - 4.6.9. The Chair works with the Nominating Committee on ensuring appropriate succession.
  - 4.6.10. If required, the Chair may have access to an advisory group contributing to a discussion. This advisory group or task force will not have visibility on internal SSC information, but will be consulted, because of their expertise, to contribute on specific topics.
- 4.7. **Members** (including the Chair) shall participate fully and actively in the functioning of the Committee. In particular:
  - 4.7.1. Each member of the Committee shall understand the mandate and objectives of the Committee.
  - 4.7.2. Each member of the Committee shall act in the best interests of SSC and its members.
  - 4.7.3. Each member of the Committee shall take a genuine interest in the in the Committee's outcomes and overall success.



- 4.7.4. Each member of the Committee shall check that the committee is making sensible financial decisions – especially in responding to issues, risks, and proposed changes.
- 4.7.5. Each member of the Committee shall check that the committee’s objectives are aligned with the organizational strategic plan and policies and adhere to By-Laws and relevant legislation.
- 4.7.6. Each member of the Committee shall actively participate in meetings through attendance, discussion, and review of minutes, papers, and other documents.
- 4.7.7. Each member of the Committee shall support open discussion and debate and encourage fellow Committee members to voice their insights.

## 5. Authority

- 5.1. The Committee will exercise its authority in accordance with the Board guidelines and such additional provisions as are set out in these Terms of Reference.
- 5.2. The Committee is a limited agent of the Board in relation to audit matters and is an active advisor (when called upon) to the Board on all other financial and risk management matters. The Committee, with approval from the Board, may establish sub-committees or task forces to deal with specific issues in relation to the mandate of the Committee.

## 6. Meetings

- 6.1. The Committee will meet by telephone, video-conference or in person, as required. Meetings will be at the call of the Chair and are expected to be held at least a week prior to Board of Directors’ meeting.
- 6.2. Meetings shall be conducted as outlined in Call to Order by Herb Perry and Susan Perry. At each meeting it shall be determined who will record minutes. Quorum shall be a simple majority of members.
- 6.3. The Committee shall make decisions by consensus where possible, but if a vote is necessary, decisions will be made by majority of votes. In the event of a tie, the matter will be presented to the Board of Directors for further discussion and approval.
- 6.4. Minutes of the Committee shall be available to members of the Board. Minutes are to be approved by the Committee Chair prior to any distribution.

## 7. Reporting

- 7.1. Committee will report to Board of Directors on highlights of findings, with more emphasis on out of ordinary situations and/or potential risks. Status reports at a meeting of the Board, or full reports at a meeting of the Members, may be presented by the Chair.



## 8. Approval

- 8.1. These Terms of Reference are approved by the SSC Board in **September 2023**. The board will review these Terms of Reference on a regular basis, with input from the Committee as required. Any provisions of SSC's By-Laws as they relate to the Standing Committees will also apply.