

Finance Committee Terms of Reference

1. Purpose

The purpose of the Finance Committee is to assist the Council in fulfilling its stewardship and oversight responsibilities with respect to financial reporting and disclosure, management's system of internal controls, and external and internal audit processes. The Finance Committee ensures compliance with the Licensed Practical Nurses Act, 2000 and SALPN bylaws as they relate to financial matters.

2. Structure

Membership

- *A minimum of three Council Members*
- *One member must be a Public Appointee of the Council*
- *The Committee is supported by the Executive Director and a delegate*

Duration of Term

- *Reviewed annually, usually at the first Council meeting following the AGM*

3. Responsibilities

The primary role of the Finance Committee is to assist the Council in fulfilling its stewardship and oversight responsibilities with respect to financial reporting and disclosure, management's system of internal controls, and external and internal audit processes. The Finance Committee reports to the Council.

The Finance Committee has responsibility for oversight of the reliability and integrity of the accounting principles and practices used by the SALPN, as reflected in the SALPN's financial statements and financial reporting.

Financial Functions:

- *Review and recommend to the Council for approval a detailed annual budget for capital and operating revenues and expenditures for the upcoming fiscal year.*
- *Review the unaudited quarterly financial statements in a timely manner and report back to the Council accordingly.*
- *Recommend to the Council an appropriate investment and reserve policy for the management of SALPN's funds and monitor and report quarterly on the investments and established reserves.*
- *Make recommendations to the Council about its budget and reporting against the budget and other financial measures.*

- *Recommend to the Council the types and amounts of insurance to be carried and review these annually.*
- *Review and make recommendations to the Council related to the financial risks of the organization.*
- *Inform and advise the Board on any financial matters as required or requested.*
- *Review the effectiveness of and audit financial control functions, where possible.*
- *Approve expense claims of the Executive Director (at least two committee members).*
- *Review the credit card of the Executive Director.*

Audit Functions:

- *Monitor and evaluate the performance of the external auditors annually and recommend to the Council a firm of chartered accountants for appointment as the SALPN's external auditors and any changes of external auditors.*
- *Review and approve the auditor's audit plan, including scope, timetable and fees.*
- *Review and ensure external auditor independence from management.*
- *Require the auditor to disclose all work provided to the SALPN that has not been approved in advance by the Committee and assess whether the auditor's independence is impaired.*
- *Inquire into the major financial risks and/or other operational risks faced by the SALPN, and the appropriateness of related controls and strategies to minimize their potential impact.*
- *Review audited annual financial statements, in conjunction with the report of the external auditors, and obtain an explanation from management of all significant variances between comparative reporting periods and a response to any identified weaknesses.*
- *Recommend to the Council approval of the financial statements, where appropriate.*
- *Meet privately with the external auditors (without the presence of management) to obtain full and transparent disclosure of any concerns regarding the audit process.*
- *Oversee management's establishment of an adequate system of internal controls and procedures and effective performance of those internal controls and procedures.*
- *Make other recommendations with respect to matters delegated to the Finance Committee by the Council.*

4. Meetings

The Finance Committee meets at least four times each year to review each quarter's financial statements. The Committee may choose to hold additional meetings if it considers them necessary to carry out its responsibilities effectively.

A majority of the appointed members is required to participate in the meeting (in-person or via teleconference) to represent a quorum.

A consensus model of decision-making will be utilized.