



DRAFT TERMS OF REFERENCE

FINANCIAL AUDIT RISK MANAGEMENT COMMITTEE (FAR)

Date of Adoption: FAR
December 2020

Review Period: Annual

Date of Latest Amendment:

Date Last Reviewed:

A. PURPOSE

The Financial Audit Risk Management Committee (Committee) is a standing committee established by the Executive (BoD) of the Alberta Fish and Game Association (AFGA). The Committee is charged with assisting the BoD in its oversight of (a) the integrity of AFGA's accounting and financial reporting processes, (b) the qualifications, independence and performance of AFGA's external and internal auditors, (c) AFGA's processes relating to its internal control systems and security of information and (d) AFGA's policies and processes for risk management. The Committee's related function is to work with other committees and the BoD on restructuring of AFGA with the outcome of developing a sustainable funding model.

B. SCOPE

1. Committee Approval and Recommendations

The Committee may consider and provide feedback relating to matters forwarded by the Executive Director (ED) or the BoD, or on its own initiative, and:

- (a) may approve matters which are administrative and non-substantive in nature such as those customarily made to:
 - (i) confirm the accuracy and completeness of the Committee's own minutes,
 - (ii) conduct all or a portion of the Committee meeting *in camera*, and
 - (iii) approve the Committee's meeting agenda and changes to the agenda.
- (b) may, at its discretion, assign a specific subject for further discussion to a subcommittee of the Committee
- (c) may refer matters to another committee of the BoD for further consideration; and
- (d) may make recommendations for approval to the BoD on matters of a substantive nature.
- (e) may instruct ED to make interim budgetary adjustments based on risk management metrics to ensure variances in financial projections are addressed prior to BoD

discussion and approval

2. Mandate

The Committee shall:

- (a) monitor and advise the BoD on developments and emerging best practices organizational financial and risk management;
- (b) Monitor the monthly financial statements of the organization and determine variances from budget including recommending actions to adjust if necessary;
- (c) Overseeing the performance of the internal accounting and audit functions including monthly review and reporting to Executive of findings;
- (d) Manage the audit processes of AFGA and make recommendations to the BoD and to the delegates at the Annual General meeting of AFGA. This includes overseeing hiring, performance, and independence of external auditors of AFGA;
- (e) Overseeing the financial reporting and disclosure process of AFGA;
- (f) Monitoring choice of accounting policies, principles, and contractors;
- (g) Oversight of regulatory compliance and ethics;
- (h) Oversight and identification of risk management policies, practices, and emerging issues identification with management and the BoD;
- (i) Provide recommendations to the BoD that will lead to a restructured AFGA with a sustainable funding base:
- (j) Work with the other committees that have been struck to provide recommendations to the BoD on restructuring.

C. MEMBERSHIP

1. Members

The Committee comprises:

- (a) a minimum of two members of the BoD (Members) appointed to the Committee by the President of the BoD, following recommendation from the BoD, each of whom shall have voting rights;
- (b) any other individuals who are not Members, appointed to the Committee by the President of the BoD, following recommendation from the BoD, whose voting status shall be determined at the time of their appointment;
- (c) the President of the BoD shall be an *ex officio* member of the Committee and shall

have full voting rights; and

- (d) the ED shall be a non-voting *ex officio* member of the Committee. The ED may appoint another individual to attend a Committee meeting as an *ex officio* non-voting Committee member in their absence.

2. Term of Office

The terms of individuals appointed under C.1.(b) shall be determined at the time of appointment.

3. Committee Chair and Vice Chair

- (a) The President of the BoD shall appoint a Committee Chair
- (b) A Vice Chair from among the voting members of the Committee may be appointed by the committee
- (c) In the absence of the Committee Chair, the Vice Chair shall chair the meeting.
- (d) In the event of the absence of the Chair or at the request of the Chair, a meeting shall be chaired by such person as may be designated by the Chair in advance of such meeting or in the absence of such delegation, by such person as may be agreed at the meeting.

4. Duties and Responsibilities of the Committee Chair

The Chair is responsible for:

- (a) Convening Committee meetings and designating the times and places/platforms of those meetings.
- (b) Ensuring Committee meetings are duly convened and that quorum is present when required.
- (c) Working with the BoD and the ED on the development of agendas and related materials for the Committee meetings.
- (d) Ensuring Committee meetings are conducted in an efficient, effective and focused manner.
- (e) Ensuring the Committee has sufficient information to permit it to properly make decisions when decisions are required.
- (f) Providing leadership to the Committee and assisting it in reviewing and monitoring its responsibilities.
- (g) Reporting to the BoD on the deliberations and recommendations of the Committee.
- (h) Monitoring compliance by the Committee of its duties and responsibilities as

contained in the Committee Terms of Reference.

- (i) Working with the President of the BoD and the ED on the annual review of the composition of the Committee for recommendation to the BoD.

5. Vacancies

The President of the BoD may appoint a successor to serve for the balance of a vacated Committee member's term.

6. Advisors

The Committee may request the participation of advisors from time to time, including but not limited to AFGA employees or external consultants, to provide advice or information to the Committee or to its members independently, with respect to any matter before or related to the Committee, at AFGA expense. Due to the statutory responsibilities of the Committee, a budget will be made available to the Committee for this purpose.

D. MEETINGS

1. Confidentiality

The nature and subject of discussions and deliberations on matters before the Committee are confidential until such time as an item is approved by the BoD and released publicly.

2. Frequency

The Committee shall meet at least once monthly at the call of the Committee chair, or at the discretion of the President of the BoD.

3. Quorum

A majority of Committee members entitled to vote shall constitute a quorum. Members of the Committee may participate in a meeting of the Committee by any means such as telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

4. Notice

- (a) a minimum Notice of the time and place of every meeting of the Committee shall be given electronically, or as agreed to by the Committee members, at least seven days in advance of a meeting.
- (b) In the event the Committee chair or President of the BoD determines an urgent requirement to meet, notice of the time and place of the meeting may be given

electronically or by telephone at least 24 hours in advance.

- (c) Notice may be waived by a Committee member in any manner, including by unanimous consent of all Committee members.
- (d) Attendance of a Committee member at a meeting is a waiver of the notice of the meeting, except where the Committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the Committee member was not given adequate notice of the meeting.

5. Report and Recommendations

Subject to confidentiality requirements, the Committee shall submit an overview report on the business conducted at each meeting, and shall make recommendations, if appropriate, to the BoD at its next meeting.

6. Minutes

A person acceptable to the Committee shall act as recording secretary to attend at every Committee meeting to take minutes. Minutes shall be approved by the Committee at its next meeting.

7. *In camera* discussions

The Committee as a whole may meet *in camera* if the information is considered confidential or would breach privacy obligations of AFGA.

8. Other Meetings

Where appropriate, individual members of the Committee may meet separately with the ED, or with the ED and AFGA employees for the purpose of obtaining information that is needed for the Committee to fulfill its mandate.

9. Rules of Order

Unless provided otherwise in the AFGA Bylaws or these Terms of Reference, Committee business and conduct of the Committee members shall follow the most recent edition of Robert's Rules of Order which may be modified by the Committee chair. Committees are expected to observe standards for official meetings including decorum and respect.