

Audit and Finance Committee Charter (3.4)

Policy:	Audit and Finance Committee Charter	Effective Date:	November 4, 2021
Last Review Date:	Oct 20, 2023	Next Review Date:	Nov, 2026
Review Frequency:	Every 3 years(November) A&F Committee	Related Supporting Documents:	Bylaws

Mandate

The mandate of the Audit & Finance Committee (the "Committee") is to assist the CRNS Council in fulfilling its oversight responsibilities by:

- Gaining reasonable assurance regarding the integrity of the Organization's financial reporting and financial management, including audits and controls.
- Having oversight of CRNS's budget process.
- Reviewing the financial information which will be provided to stakeholders, the systems of controls which management and Council have established, and the audit process.
- Having principal oversight responsibility with respect to certain of CRNS's material financial matters, including investments.
- Assessing the Organization's financial performance against the budgeted plan.

The Committee affords management and the external auditor a direct conduit to the Council, without allocating to the Committee the ultimate decision-making powers of Council, except as may be provided for in this Charter, or the responsibilities which have already been appropriately delegated to management.

The Committee shall also carry out such other duties as may be delegated to it by the Council from time to time.

Composition

- The Committee is a standing committee of the Council.
- The members of the Committee shall be appointed by Council, all of whom meet the independence requirements and applicable policies of Council.
- Committee members may be removed by Council.
- Council shall also designate a Committee Chair.
- The Committee consists of:
 - Not fewer than three Council members and not more than four Council members, with a minimum of one public member.
 - All Committee members will build their financial literacy after appointment.
 - To the extent feasible, all members shall be financially literate or reach a strong level of financial literacy within a year of being appointed to the Committee. Financially literate means having the

ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by CRNS's financial statements.

- To the extent feasible, at least one member shall be a financial expert. This means they will have an accounting designation and/or are able to prepare a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by CRNS's financial statements.
- Quorum is two committee members.
- Non-members: The Council Chair, Executive Director, CRNS's senior financial officer, and external auditor have the right to receive notice of, attend and have voice at all Committee meetings; as will the secretary to the Committee who will be supplied by the Executive Director.

Authority

The Committee has the authority to:

- Make recommendations to the Council with regard to financial and audit issues.
- Authorize investigations or studies of matters that reflect on the financial integrity of CRNS.
- Obtain expertise and assistance from outside legal, governance, financial or other advisors as required to assist in the execution of committee responsibilities. Use of these services, along with associated costs and contractual obligations shall be prior approved by and reported to Council at each Regular Council meeting.

Duties and Responsibilities

1. Responsibilities related to Budget Process: The Committee will:
 - Review the annual operating and capital budgets prior to presentation and recommendation to Council.
2. Responsibilities related to Financial Reporting: The Committee will:
 - Gain reasonable assurance regarding the integrity of CRNS's financial statements and financial reporting process and the organization's systems of internal accounting and financial controls.
 - Gain reasonable assurance that the Organization complies with all applicable laws, regulations, rules, policies and other requirements of governments and regulatory agencies relating to financial reporting and disclosure.
 - Gain reasonable assurance that the accounting principles, significant judgments and disclosures which underlie or are incorporated into CRNS's financial statements are the most appropriate in the prevailing circumstances.
 - Review the Organization's annual and quarterly financial statements with management and if deemed necessary, the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the CRNS's financial position and performance, and are in accordance with Generally Accepted Accounting Principles and together with management's discussion and analysis constitute a fair presentation of the Organization's financial condition and report thereon to the Council before such financial statements are approved by the Council.

3. Responsibilities related to Relationship with External Auditors: The Committee will:
 - Recommend to the Council the nomination of the external auditors every three years.
 - Approve the remuneration and the terms of engagement of the external auditors.
 - If necessary, recommend the removal of external auditors and replacement with new external auditors.
 - Review with the external auditor its annual audit plan for the Organization, and thereafter, the results of the external audits of the Organization, any significant problems encountered in performing the audits, and the contents of any management letters issued by the external auditor to the Organization, and management's response.
 - Review with the external auditor the contents of their annual audit reports and review any significant recommendations from the external auditor to strengthen the internal controls of the Organization.
 - Meet with the external auditors in the absence of management (and with management in the absence of the external auditors) to determine that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee.
4. Responsibilities related to Risk Oversight and Investments: The Committee will:
 - Review with management the guidelines and policies on financial risk assessment and management, and the major financial risk exposures reported by the ED and the plans to monitor and control such exposures.
 - Review regularly with management, the external auditors and the Organization's legal counsel, any legal claim or other contingency that could have a material effect upon the financial position or operating results of the Organization.
 - Ensure that CRNS has an investment policy in place which reflects CRNS's risk objectives, liquidity needs and capacity.
 - Annually review the Organization's insurance program.
5. Responsibilities related to Compliance with Laws and Regulations: The Committee will:
 - Review regular reports from management according to the Audit & Finance Committee work plan with respect to the Organization's compliance with laws and regulations and operational effectiveness.
 - Investigate any matters that, in the Committee's discretion, fall within the Committee's duties.

Meetings

- The Audit and Finance Committee will meet at least four times per year and as necessary.
- The Committee will meet with the External Auditor at least twice per year (pre-audit and post-audit), and at the Auditor's request, and as required by the Committee or Council.
- Meeting agendas are set by the Committee Chair in conjunction with the Executive Director.
- Minutes of the Audit and Finance Committee shall be maintained in CRNS' board portal.