

## Terms of Reference

### Audit & Finance Committee

#### 1. Purpose and Scope

The purpose of the Audit & Finance Committee (AFC) is to assist the Bobsleigh Canada Skeleton (BCS) Board in fulfilling its obligations and oversight responsibilities and, when required, to make recommendations to the Board relating to:

- A. financial planning,
- B. financial reporting, and
- C. financial risk management.

#### 2. Type of Committee

The Audit & Finance Committee (AFC) is a Standing Committee and as such is a formal and permanent part of the Bobsleigh Canada Skeleton (BCS) governance structure.

#### 3. AFC's Objectives, Goals and Deliverables

The following are the objectives, goals and deliverables of the Audit & Finance Committee:

##### A. Financial Planning

Ensure that BCS's Annual Budget and, if applicable, other material financial plans or investments are:

- i. Prepared using assumptions and estimates that are appropriate, reasonable and consistent with any applicable BCS reference point; and
- ii. Provided to the Board for approval.

##### B. Financial Reporting

Oversee BCS's ongoing financial reporting by:

- i. Recommending to the Board the appointment of the External Auditor;
- ii. Reviewing BCS's draft Annual Audited Financial Statements to ensure they are fairly presented in all material respects in accordance with generally accepted accounting principles;
- iii. Examining the draft statements in conjunction with the Report of the External Auditor;
- iv. Recommending to the Board for formal approval or disapproval the audited statements and report of the auditor.
- v. Determining whether the performance of the External Auditor has been satisfactory and effective for the needs of BCS;
- vi. Reviewing all public financial reporting by BCS to ensure that it represents a complete, accurate and balanced picture of BCS's financial performance and situation; and
- vii. Ensuring the Board receives on a timely basis meaningful financial information regarding BCS's current financial status (such as YTD Performance vs Budget) and, as applicable, up-to-date forecasts required to make decisions.

##### C. Financial Risk Management

Identifies, monitors, mitigates and reports significant financial risk exposures by:

- i. Reviewing BCS's financial systems and policies and ensuring that reasonable financial controls are in place and operating effectively, both, for BCS's internal risk management needs as well as for compliance with applicable laws;
- ii. Advising the Board on any new or pending developments in accounting and/or financial reporting standards; and

- iii. Coordinating with the Governance & Risk Management Committee to ensure financial risks are documented in BCS's Risk Register and actioned appropriately.

#### 4. AFC Authority

Any plans, reports, or recommendations put forth by the AFC must be approved by the Board. With such approval, the AFC is empowered to act but does not have the authority to direct senior leadership or to commit BCS unless specifically authorized by the Board.

In the process of overseeing BCS's audit procedures, the AFC will have unrestricted access to BCS personnel and documents and will be provided with the resources necessary to carry out its responsibilities, including the authorizations to engage independent counsel and other advisors, as appropriate.

#### 5. AFC Composition

The AFC is composed as follows:

- i. A minimum of three (3) members, with one being the BCS Board Treasurer.
- ii. All AFC members must be financially literate.
- iii. At least one AFC member shall have an accounting designation or financial expertise.
- iv. The BCS Board appoints the AFC members and the AFC Chair.
- v. In addition to the minimum 3 voting members, the CEO of BCS will be a non-voting GRMC member.

The AFC may establish sub-groups for special events or topics that includes other Board members. Any sub-groups report to the AFC.

#### 6. AFC Meetings and Records

- i. A quorum for an AFC meeting shall be two members, comprised of the AFC Chair and one other AFC member. Non-Members may only attend AFC meetings upon the approval of the AFC Chair.
- ii. The AFC will meet as often as is needed to fulfil its duties but, at a minimum, two times per year by telephone, video conference or in person.
- iii. Any material Minutes of AFC meetings shall be kept and uploaded to the BCS share drive within 10 days of the meeting. Additionally, upon request by the Board, Minutes are to be provided to the Board.

#### 7. AFC Reporting

The Board Treasurer, as a member of and on behalf of the AFC, will report to the BCS Board at least twice a year with (a) one report pertaining to the audited financial statements and (b) one pertaining to the AFC's mid-year update.

#### 8. AFC Budget

The AFC will identify its budget requirements as part of the BCS budgeting cycle. Any budget requirement must be approved by the Board. Any expenses incurred by the AFC outside of this process must be approved by a Board resolution.

#### 9. AFC Enabling or Constraining Factors

The following are enabling or constraining factors concerning the AFC:

- i. The AFC is a Board committee and cannot make decisions independent of the Board.
- ii. AFC members must recuse themselves from any discussions or decisions in which they have a conflict.