

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. the audit process,
- C. financial reporting,
- D. the system of financial controls, and
- E. 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

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

A. Financial Planning

- i. Ensures (a) that BCS's financial plans and budgets are provided to the Board for approval and (b) that the assumptions and estimates used in the preparation of such plans and budgets are appropriate and consistent with the policies, objectives and initiatives approved by the Board.
- ii. Ensures the Board receives on a timely basis meaningful financial information regarding BCS's current financial status and up-to-date forecasts required to make decisions.

B. Annual Audit

- i. Recommends to the Board the appointment of the External Auditor.
- ii. Determines whether the performance of the External Auditor is satisfactory, effective and meets the requirements of BCS.

C. Financial Reporting

- i. (a) Reviews BCS's annual audited financial statements to ensure they are fairly presented in all material respects in accordance with generally accepted accounting principles, (b) Examines the audited statements in conjunction with the reports of the External Auditor, and (c) Recommends to the Board for approval or disapproval the audited statements and reports.
- ii. Reviews all public financial reporting by BCS to ensure that it represents a complete, accurate and balanced picture of BCS's financial performance and situation.

D. Accounting Systems and Internal Controls

- i. As it pertains to financial matters, obtains reasonable assurances that BCS has implemented appropriate systems of internal control over reporting, information technology, data security and protection of personal information and privacy, and that these systems are operating effectively.

E. Financial Risk Management

- i. Leads the Board's oversight of BCS's financial risk management.
- ii. Identifies, monitors, mitigates and reports significant financial risk exposures.
- iii. Reviews BCS's financial risk management controls and policies.
- iv. Receives regular reports on the management of any material financial risks to BCS.
- v. Reviews (annually) BCS's insurance coverage of material business risks and uncertainties and disaster recovery plans.
- vi. Confirms the appropriate financial policies and procedures are in place for monitoring compliance with applicable laws.
- vii. Advises the Board on any new or pending developments in accounting and/or financial reporting standards.

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 members.
- ii. All AFC members must be financially literate.
- iii. At least one AFC member shall have an accounting designation or related financial expertise.
- iv. The BCS Board appoints the AFC members and the AFC Chair.

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 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.

7. AFC Meetings and Records

- i. The AFC will meet at least four times per year by telephone, video conference or in person. Additional meetings may be held as deemed necessary by the AFC Chair or as requested by (a) any two AFC members or (b) the External Auditor. Non-Members may only attend AFC meetings upon the approval of the AFC Chair.
- ii. A quorum for an AFC meeting shall be two members, comprised of the AFC Chair and one other AFC member.
- iii. The minutes of all AFC meetings shall be kept and uploaded to the BCS share drive within 10 days of the meeting. Additionally, meeting minutes are to be provided to the Board, upon the Board's request.
- iv. The AFC shall meet with the External Auditor at least twice a year, including meeting without management present at least annually or as requested. The AFC shall permit the External Auditor to attend AFC meetings upon request.

8. AFC Reporting Relationship

The AFC will report to the Board at least twice a year with (a) one report focussing on the audited financial statements and (b) one report focussing on the BSC budget.

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.