

Cowichan Tribes Policy



Policy Title:	Finance and Audit Committee Terms of Reference
Responsible Office(s):	Finance
Effective Date:	26 May 2009
Revision Date:	
Authority:	Council Resolution 26 May 2009

Finance and Audit Committee Terms of Reference

Policy Statement

- 1) It is the policy of Cowichan Tribes to ensure a sound financial administration system is in place, part of which is an effective Finance and Audit Committee with well-defined responsibilities.
- 2) The Finance and Audit Committee is a committee of Council.

Reason for Policy

- 3) The objective of this policy is to set out the composition, procedures and responsibilities of the Finance and Audit Committee.

Policy Application

- 4) This policy applies to Chief, Council, General Manager, Assistant General Manager and Comptroller.

Definitions

- 5) The following definition applies:
 - a) *financial competency* is defined as financial experience, formal training in finance and/or completion of a finance orientation session provided by Finance staff.
 - b) *staggered terms* means the scheduling of terms of office so that all members of the Committee are not selected at the same time, for example,



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half of the current members would hold office for one year beginning in 2009 and the remaining half would hold office for two years beginning in 2009. Those holding office for just one year would then be replaced by members who would then hold office for two years beginning in 2010.

Interpretation

- 6) In this policy, "Committee" means the Finance and Audit Committee.

Policy Requirements

Committee Members:

- 7) The Council must appoint four Councillors to the Finance and Audit Committee, a majority of whom must have financial competency. Subject to paragraph 9, these Committee members must be appointed to hold office for staggered terms of not less than two complete fiscal years.
- 8) Other members of the Finance and Audit Committee include the General Manager, the Assistant General Manager and Comptroller. Subject to paragraph 9, the terms of office for these members are for an indefinite period.
- 9) A Committee member may be removed from office by the Council if:
 - a) the member misses three consecutively scheduled meetings of the Committee without good cause, or
 - b) the Committee recommends removal to Council.



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Chairperson and vice-chairperson:

- 10) The Committee must appoint a Councillor as the Chairperson of the Committee.
- 11) The Committee members may appoint one of their members who is a Councillor as Vice-chairperson of the Committee.

Committee procedures:

- 12) The quorum of the Committee is 50% of the total number of Committee members, including at least one Councillor.
- 13) Unless a Committee member is not permitted to participate in a decision because of a conflict of interest, every Committee member has one vote in all Committee decisions.
- 14) In the event of a tie vote in the Committee, the Chairperson of the Committee may cast a second tie breaking vote.
- 15) The General Manager, Assistant General Manager and Comptroller must, subject to reasonable exceptions, attend Committee meetings. Although required to attend as members of the Committee, they are required for their technical knowledge as well.
- 16) The General Manager, Assistant General Manager and Comptroller may be excluded from all or any part of a Committee meeting by a recorded vote if:
 - a) the subject matter relates to a confidential personnel or performance issue respecting the General Manager, Assistant General Manager or



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Comptroller, or

b) it is a meeting with the auditor.

17) The Committee must meet:

- a) at least once every three months in each fiscal year as necessary to conduct the business of the Committee, and
- b) as soon as practical after it receives the audited financial statements and report from the auditor.

18) The Committee must provide minutes of its meetings to the Council and report to the Council on the substance of each Committee meeting as soon as practicable after each meeting.

Financial planning and monitoring responsibilities:

19) The Committee must carry out the following activities:

- a) review draft annual budgets and recommend them to the Council for approval;
- b) monitor the financial performance of Cowichan Tribes against the budgets and report any significant variances to the Council; and
- c) review the quarterly financial statements and recommend them to the Council for approval.

20) The Committee may make a report or recommendation to the Council on



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any matter respecting the financial administration of Cowichan Tribes.

Audit responsibilities:

- 21) The Committee must carry out the following audit activities:
- a) make recommendations to the Council on the selection, engagement and performance of an auditor;
 - b) receive assurances on the independence of a proposed or appointed auditor;
 - c) review, and make recommendation to the Council on, the planning, conduct and results of audit activities;
 - d) review, and make recommendations to the Council, on the audited annual financial statements, including the audited local revenue account statements, band-owned company statements and any special purpose reports;
 - e) periodically review, and make recommendations to the Council, on policies, procedures and directions on reimbursable expenses and perquisites of the Councillors, officers and employees of Cowichan Tribes;
 - f) monitor financial reporting risks and fraud risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls;
 - g) develop and review the Financial Administration Law of Cowichan Tribes and recommend draft amendments to the Council; and



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- h) periodically review at least every two years and make recommendations to the Council on, the terms of reference of the Committee.

