

TERMS OF REFERENCE – FINANCE COMMITTEE

1. PURPOSE

- 1.1. The Finance (Committee) is a standing committee of the Executive Committee (Executive) of the Building Officials' Association of British Columbia (Association) and assists the Executive with fulfilling its oversight responsibilities with respect to:
 - a. financial budgeting, forecasting, and reporting;
 - b. accounting policies and practices;
 - c. disclosure practices;
 - d. internal controls;
 - e. investment policies, reporting on investments, and performance monitoring of investments;
 - f. risk management policies, practices, and monitoring; and
 - g. other areas falling within the purview of audit and risk management.

2. COMPOSITION AND ORGANIZATION

- 2.1. The Committee will be comprised of no less than three, but no more than five members
 - a. Within these parameters, the Committee shall be comprised of at least two members of the Executive and at least one Member who is not on the Executive.
- 2.2. The Chair of the Committee shall be a member of the Executive.
- 2.3. The members of the Committee and the Committee Chair shall be appointed and may be removed by the Executive.
- 2.4. Each member shall continue to be a member of the Committee until a successor is appointed, unless a member resigns, is removed, or ceases to be a Director.
- 2.5. The Executive may fill a vacancy that occurs at any time.
- 2.6. Matters before the committee shall be decided by a simple majority.
- 2.7. A quorum shall be a simple majority of voting members.
- 2.8. The Committee shall meet at the call of the Committee Chair as required.
- 2.9. Management support for the Committee will be provided through the Executive Director.
- 2.10. The President is an ex-officio and non-voting member of the Committee.

3. DUTIES AND RESPONSIBILITIES

3.1. Subject to the powers and duties of the Executive, the Committee has the responsibility to:

- a. report to the Executive on material financial recording or accounting issues, ongoing areas of potential financial risk and exposure, budgeting and forecasting, and matters that may have a material impact on financial results or investment and risk management;
- b. review the annual budget and quarterly variance reports and forecasts prepared by management;
- c. review any proposed unbudgeted expenditures in excess of \$150,000 or such revised limit as set by the Executive;
- d. review all corporate policies and procedures relating to the purpose of the Committee and recommend revisions to the Executive for consideration and approval;
- e. recommending the nature and schedule of third-party financial reviews to the Executive;
- f. approve and conduct the RFP process, with assistance from the Executive Director, and recommend an external party to conduct an independent financial review of the Association for consideration by the Executive and approval by the Membership at the Annual General Meeting;
- g. review with an independent third-party the appropriateness of financial reporting processes;
- h. review accounting processes, major issues, and significant changes regarding accounting standards and financial statement presentation;
- i. review the annual engagement review report and the annual financial statements with the independent third-party that prepared the statements to gain a reasonable assurance that the statements are accurate, complete, and fairly represent the organization's financial position and performance in accordance with Canadian public sector accounting standards;
- j. recommend approval of reviewed financial statements by the Executive; and
- k. review confirmations received from the Executive Director that the Association is in compliance with laws and regulations including: confirming that the annual tax and not-for-profit returns have been filed successfully and are current; that GST, payroll, and other statutory payments are remitted and current; that all investments are in compliance with the investment policy; and that appropriate insurance coverage is in place to mitigate liability and manage risk.

3.2. The Chair of the Committee will, on a quarterly basis, receive confirmation from the Executive Director that expenses of the President and the Executive Director are reasonable and authorized in accordance with policy. The Chair of the Committee will review expenses of the President and Executive Director to confirm reasonability and adherence to policy.

4. ACCOUNTABILITY

- 4.1. The Committee shall:
- a. report its discussions to the Executive through submission of written minutes to the Executive and posting of these minutes on the Association website, and providing a verbal update on committee activities at each Executive meeting; and
 - b. perform an annual review of the committee operations, which includes an annual self-assessment, and report to the Executive on the fulfillment of its duties and responsibilities.
- 4.2. All Committee members must annually reaffirm their adherence to the Code of Ethics and Oath of Confidentiality.
- c. review and revise the credit card service fee percentage as appropriate.

5. ACCESS TO THE COMMITTEE

- 5.1. With the approval of the Executive, the Committee will have the authority to select, retain, oversee, compensate, and terminate outside advisors to assist the Committee in fulfilling its responsibilities.
- 5.2. The Committee may request funding from the Executive for outside advisors and administrative expenses that are appropriate for the Committee to carry out its responsibilities and duties effectively.

6. DOCUMENT AMENDMENTS

These Terms of Reference will be reviewed and evaluated annually by the Committee and changes may be recommended to the Executive, through the Governance and Nominating Committee, for consideration and approval.

7. VERSION APPROVAL HISTORY

Date	Action
May 11, 2021	New committee terms of reference established.
September 19, 2024	Minor updates to wording adopted.