

TERMS OF REFERENCE

PELHAM FINANCE & AUDIT COMMITTEE

STRATEGIC GOAL: ENHANCE THE QUALITY OF LIFE IN OUR TOWN**DEPARTMENTAL REPORTING: ADMINISTRATION DIVISION, CHIEF ADMINISTRATIVE OFFICER****PURPOSE**

A committee of Council which provides oversight, advice and guidance to Council and Town staff regarding: the selection of auditors, the annual audited financial statement, financial policies and reporting practices, and risk management considerations.

MANDATE:

The Finance and Audit Committee will provide oversight of and make recommendations as required for:

1. The Audit Function, including
 - Selection and appointment of auditors
 - Audit results and the management letter
2. Financial Reporting, including
 - Regular financial reports, related to operations, capital, assets, reserves and transit
3. Risk Management Considerations, including
 - Policies governing risk management
 - The Town's major risk exposures and mitigation options
 - Review all debentures prior to Council approval
 - Review the risk management framework plan
4. Provide Guidance to Council and Town staff regarding financial controls
 - Council may direct the Committee to review and report back to Council on any financial matter

Membership

The Finance and Audit Committee is an advisory committee of Council and is comprised of three Councillors, Town of Pelham and two citizen representatives.

The citizen representatives must meet the following criteria to be eligible for appointment:



- Satisfactory police check
- Resident of the Town of Pelham
- Possess a Chartered Professional Accountant (CPA) designation in good standing and a graduate of a recognized postsecondary institution
- Be independent and willing to challenge Council and Town staff when necessary
- Have an aptitude for complex organizational effectiveness and governance and an awareness of the Town's operations
- Have a general understanding of the Town's major economic, operating and financial risks
- Understand the difference between the oversight function of the Committee and the decision-making function of Council and Town staff
- Must sign a confidentiality agreement

The following Meeting Protocols shall apply:

- Quorum for meetings of the committee shall be determined according to the Town's Procedural By-law, and declared by the chair. Approval of any motion shall require 50% plus one of the voting members in attendance at the meeting.
- If quorum is not attained within 15 minutes of the scheduled start time of the meeting, no actions or recommendations emanating from a meeting have any force or effect.
- Minutes shall be recorded and retained by the staff designate, and copies shall be forwarded to Town Council for information after committee approval.
- The Committee reports directly to the Town Council via minutes of its meetings, presentations as requested and/or as deemed necessary, and through the provision of a quarterly report to Town Council.
- The committee will appoint a chair who will serve throughout the appointment term.
- Recommendations for Council shall be forwarded in resolution form, under the signature of the Chair.
- Meeting protocols shall be conducted in accordance with the Municipal Act.
- All meetings shall be open to the public and closed session meetings shall only be permitted under the provisions of the Municipal Act, and if so convened shall not be held in the absence of the staff appointee. Meeting dates shall be posted on the Town's website.
- Sub-Committees may be formed as necessary and will determine their own meeting times and dates.

