

**Approval Authority:** Board of Governors

**Last Approved:** October 5, 2020

**Administrative Responsibility:** President

**Next Review:** 2024-2025

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## **Board Governance Policies**

### **5.2 Board Committees - Terms of Reference**

#### **C. Terms of Reference – Audit & Risk Management Committee**

##### **PURPOSE**

The purpose of the Audit and Risk Management Committee is to assist the Board in fulfilling its financial, fiduciary and statutory responsibilities related to:

1. Financial Policies;
2. Financial and enrolment reporting to government;
3. Operating and Capital Budgets;
4. Internal Controls;
5. External Audit;
6. Identification and management of risk;
7. Investments and Capital Planning.

##### **Committee Membership**

The Committee shall be appointed by the Board on an annual basis, at the Fall Board meeting at the time of the annual Board elections, for a one year term. Members may serve any number of consecutive terms.

The Committee shall be comprised of no more than five (5) Board members (of which no more than one can be an NVIT employee) with a quorum being three members. The Chair and Vice Chair shall be selected annually by the Board from within the committee members appointed by the Lieutenant Governors in Council. The Chair of the ARM committee may to the same extent as any other committee member, make motions, engage in debate, or vote on any matter to be decided.

The President/CEO shall be an ex-officio non-voting member of the Committee and the Executive Assistant shall provide administrative support to the Committee.

NVIT's senior financial officer and the manager responsible for budgets and financial reporting shall provide the necessary support to the Committee.

##### **Guiding Principles**

The Committee shall be guided by the values of financial integrity and institutional accountability and will conduct itself within the framework of the mission and values of the Institute. Committee members will at all times strive to maintain direct, open and respectful communications with management, the Board, the Auditor and other parties as appropriate.

### **Committee Meetings**

The Committee will meet 4 times per year with additional meetings at the call of the Chair. Meetings will normally be held in September, November, January and May.

### **Responsibilities**

1. *Financial Policies*

The Committee will review and recommend for approval to the Board policies related to financial matters of the Institute.

2. *Financial and Enrolment Reporting to Government*

The Committee will review and recommend to the Board:

- a) Acceptance of the quarterly financial statements and the accompanying management analysis (MD&A);
- b) Those financial reports requiring Board approval by the Ministry. (e.g. Quarterly Financial Forecast).
- c) The annual FTE Report for government.
- d) Responding to Audit and controls request related to institute operations from the office of the Auditor General of British Columbia.

3. *Operating and Capital Budgets*

The Committee will review the annual Ministry base funding letter. The Committee will review and recommend to the Board Annual Budgets including Capital Plans.

4. *Internal controls*

The Committee will review internal control procedures, and shall review and recommend to the NVIT Board acceptance of correspondence related to internal control, from the external auditor.

5. *External Audit*

The Committee shall be involved and approve the external audit activities including:

- a) Assessing the performance of and recommending the annual appointment of the external auditor;
- b) Meet with NVIT's auditor to discuss NVIT's annual audited financial statements and auditors report and recommend approval to the Board;
- c) Review of the auditor management letter and management's response.

6. *Identification and Management of Risk*

The Committee will review and assess, in coordination with management, any significant risk with respect to the Institute's business including financial and accounting policies or practices.

7. *Investments and Capital Planning*

The Committee will review and recommend to the Board:

- a) Acceptance of the Annual Investment report;
- b) Acceptance of the Institutional Five Year Capital Plan that is aligned with the Institutional Accountability Plan and Report;
- c) Periodic review of the Institute Investment Policy.

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