

Biathlon Canada Finance and Audit Committee
Terms of Reference

November 2019

Purpose

1. A not-for-profit organization is held accountable to its various stakeholders for the use of funds received in various forms, such as; fees, grants, sponsorship funds, donations or other gifts. The Board has established a Finance and Audit Committee to support it in fulfilling its oversight responsibilities.
2. The Finance and Audit Committee is established as a committee of, and reports to, the Board.
3. The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities in respect of:
 - (a) overseeing the financial operations including:
 - (i) the internal financial and operational control structure, policies and practices and the integrity and procedures for financial reporting;
 - (ii) compliance with RCAA requirements and conformance with Biathlon Canada's Charitable Donations Policy;
 - (iii) conformance with Biathlon Canada's Investment Policy;
 - (iv) monitoring the integrity and appropriateness of the financial reports; and
 - (v) review of the annual budget and monitoring financial performance relative to budget.
 - (b) overseeing the risk identification assessment conducted by management and the programs established by management and the Board in response to such assessment;
 - (c) the external auditors' qualifications, independence, performance and reports to Biathlon Canada.
4. The Committee has full authority to investigate all matters that fall within these Terms of Reference.
5. The Committee shall not be entitled to sub-delegate all or any of the powers and authority delegated to it in discharging its responsibilities.
6. The Committee shall have unrestricted access to Biathlon Canada's management, books and records and shall be entitled to receive such information as it requires from any employee. All employees shall be directed to co-operate with any request made by the Committee.
7. The Committee's responsibility is one of oversight and, in fulfilling their responsibilities, it is recognised that the members of the Committee do not represent themselves to be accountants or

auditors by profession. As such, it is not the duty of the Committee or its members to conduct auditing or accounting reviews or procedures. At least one member shall have financial literacy and have recent and relevant financial experience.

8. Financial literacy is defined as having the *knowledge, skills and confidence* to make *responsible financial decisions*.
 - (a) *Knowledge* means understanding financial matters financial concepts like compound interest, financial planning, the mechanics of a credit card, advantageous savings methods, consumer rights, time value of money, etc.
 - (b) *Skills* are the ability to apply that knowledge in everyday life.
 - (c) *Confidence* means feeling self-assured enough to make important decisions. This is often a key factor in galvanizing people into action.
 - (d) *Responsible financial decisions* means the ability to use the knowledge, skills and confidence to make choices that are appropriate for the circumstances.

Composition

9. The Chair of the Finance and Audit Committee will be appointed by the Board.
10. The members of the Finance and Audit Committee will be selected by the Chair of the Committee for a term to be determined.
11. The Finance and Audit Committee will designate one of its members to fulfill the secretarial function for the committee.
12. The Finance and Audit Committee members will not be an officer or employee of Biathlon Canada.
13. Except for the Chair, committee members do not have to be members of the Board.

Meeting

14. The Finance and Audit Committee will meet at least four times a year. One of the meetings will coincide with the annual audit, and the variance reports. Minutes of all meetings shall be kept.
15. The Chair of the Finance and Audit Committee may convene additional meetings, as deemed necessary.
16. A majority of the members of the Finance and Audit Committee will be present for the meeting to constitute a quorum. Resolution will be by simple majority.
17. The Finance and Audit Committee will generally meet by telephone or video conference or other electronic means and may meet face to face as determined by the Board or the Chair of the Finance and Audit Committee.

18. The Finance and Audit Committee may ask any other Biathlon Canada officers or personnel or the external auditor to attend to assist it with its discussions on any particular matter.
19. The Finance and Audit Committee or the Chair of the Committee may ask any or all of those who normally attend but who are not committee members to withdraw to facilitate open and frank discussion of particular matters.
20. The Board may ask the Finance and Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
21. The Chair of the Committee shall attend the Biathlon Canada Annual General Meeting and be prepared to respond to any membership questions on the Committee's activities.
22. The Finance and Audit Committee will report back to the Board after each meeting.

Responsibilities

23. The Finance and Audit Committee shall perform the following duties and report to the Board:
 - (a) Review the adequacy of these Terms of Reference and the Committee's own effectiveness annually, reporting any proposed changes to the Board for review and approval;
 - (b) Ensure that the financial status of the organization is presented clearly to the Board;
 - (c) Report to the Board on their findings of the Biathlon Canada financial operations and accounting procedures and controls including identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
 - (d) The external auditors' terms of engagement, proposed fees and planned audit scope;
 - (e) Meet with the external auditors, at least annually and when requested by the external auditors, without management or other Biathlon Canada personnel present;
 - (f) The scope of the annual audit and the independence and objectivity of the auditors and that the integrity of the audit has not been compromised;
 - (g) Make recommendations regarding appointment of the external auditors for approval to the Board;
 - (h) Review with management, external auditors and legal counsel any material litigation claims or other contingencies including tax issues and adequacy of financial provisions that could materially affect financial reporting;
 - (i) Review the annual budget of the organization to determine it is achievable and supports the objectives of the organization;
 - (j) Monitor the financial performance of Biathlon Canada relative to budget;

- (k) Monitor the integrity of the financial statements of Biathlon Canada and any formal announcements relating to Biathlon Canada's financial performance, assisting the Board's oversight of the compliance with applicable legal and regulatory requirements in this respect;
 - (l) Review the financial statements including the results of the annual financial audit that require Board approval, and where appropriate recommend approval of the financial statements;
 - (m) Review and monitor compliance with Biathlon Canada's Investment Policy and report to the Board;
 - (n) Review and monitor compliance with Biathlon Canada's Charitable Donations Policy;
 - (o) Review developments in emerging Canadian accounting standards for not-for-profit organizations that could affect Biathlon Canada and advise the Board accordingly;
 - (p) Review with management and the external auditors:
 - (i) any disagreements between management and the external auditors regarding financial reporting for the purpose of issuing the audit report, whether or not any such issues have been resolved;
 - (ii) material written communications between management and the auditors relating to the audit, including representation and management letters;
 - (iii) any financial matters brought to the attention of Biathlon Canada by the auditors;
 - (iv) the accounting policies, the accounts, and the annual financial report of the association including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
 - (q) Review the risk identification assessment conducted by management and the programs established by management and the Board in response to such assessment;
 - (r) Assess whether management has implemented policies ensuring that Biathlon Canada's financial risks are identified and that controls are adequate, in place and functioning properly;
 - (s) Establish procedures for receiving, retaining and responding to complaints relating to accounting, internal accounting controls or auditing matters, on a basis that protects the confidentiality of the complainant;
 - (t) Monitor and evaluate Biathlon Canada's insurance programs.
24. The foregoing list of duties is not exhaustive and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the effective performance of its oversight function.