

**Audit and Finance Standing Committee**

**TERMS OF REFERENCE**

**GENERAL PROVISIONS**

1. As provided in Policy with respect to each committee the Board of Directors shall:
  - i. Establish the terms of reference and life span;
  - ii. Establish a budget and resources required;
  - iii. Annually appoint a person to chair the committee;
  - iv. Annually appoint such other members as may be appropriate provided that at least one of the persons appointed to the committee shall be a member of the Board; and
  - v. To be considered for appointment, a person other than a member of the Board must have filed a completed Committee Appointment Form and Committee Interest Form including a commitment to be bound by the principles of ESIO Policies on Ethical Guidelines.
2. A committee established under this policy continues until the Board of Directors determines that it is no longer required.
3. The general purpose of each committee is to assist the Board of Directors in governing the ESIO by providing recommendations to the Board on any matter within the committee's terms of reference.
4. As provided in Policy, annually the Board will establish goals for each committee including topics or issues within the group's terms of reference which the Board considers require focused attention during the year. The committee will prepare an operational plan to achieve its mandate and will present the plan for Board approval.
6. Each year the Board will establish priority goals for each standing committee.
7. As provided in Policy a valid decision by a committee established under this policy may only be made at a duly convened meeting at which a quorum is present.

**Membership**

8. As provided in Policy, in appointing members to committees, the Board will consider the experience and expertise related to the committee's goals of the persons under consideration as well as to representation of industry groups.
9. The term of office of the chair and the members appointed to a committee established under this policy shall commence January 1 each year and end December 31 of that year.
10. As provided in Policy, the Chair is ex officio a member of all committees.
11. As provided in Policy, members are responsible for:
  - i. Participating in the meetings of the committee;

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- ii. Representing the interests and views of the ESIO;
  - iii. Communicating with the ESIO Board regarding matters under consideration by the committee, and
  - iv. Exercising the care, skill and diligence of a prudent person in carrying out his/her duties.
12. As provided in Policy, a member of a committee ceases to be a member of that committee if that person misses three consecutive meetings, unless authorized by resolution to do so.
13. Unless otherwise determined by the Board, the person appointed to chair each committee established under this policy shall be a Member of the Board of Directors.
14. As provided in Policy, a committee may select one of its members as Vice-Chair
15. The Chair of each Committee
- i. Shall report regularly to the Board on the recommendations to the Board and the minutes of each committee, and
  - ii. Shall maintain liaison with any Board member who is assigned related responsibilities.

### Meetings

16. Committee meetings will be scheduled to match the business needs of the ESIO. As a general rule committees will meet not less than two and not more than four times during each term of office.
17. As provided in Policy, meetings of each Committee are to be conducted using the most efficient means (conference calls, teleconferencing, and in-person) commensurate with the meeting agenda.
18. At meetings of a committee, each member including the Chair present shall have one vote and, in the case of a tie, the motion shall be lost.
19. A member including the Chair present at a committee meeting must vote on a matter put to a vote at the meeting unless the member is required to abstain from voting under this Policy.
20. Each committee is subject to the ESIO Policy on Media Relations.
22. A committee is expected to obtain advice and support from professional advisors as and when needed, commensurate with its objectives and available resources.

### Internal Committee Matters

23. If a matter arises in one committee which also falls within the responsibilities of another committee, the CEO will ensure that the other committee is informed and can provide its input before a recommendation is made to the Board.
24. If there is an urgency which makes it impossible to have the matter discussed at a meeting of the other committee, the CEO will determine how the information will be provided and the input will be gathered.

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31. The Committee will be comprised of Three (3) members appointed as follows:
- i. three (3) Board members, one of whom will be designated as the Chair and the other as Vice Chair; and
  - ii. the Board may appoint two (2) additional members to the Audit & Finance Committee:
    - a. one (1) representative from the City of Edmonton and
    - b. one (1) representative from the Screen Media Industries
32. The two external members should have financial and/or risk management enterprise expertise to ensure the Committee as a whole has the adequate skill to perform its responsibilities.
33. Appointment terms:
- i. Board members - one (1) year term, appointed annually
  - ii. External members - two (2) year term.
34. The CEO shall arrange for secretarial services to the Committee.
35. The Committee has the obligation to ensure, using appropriate methodologies and processes, the overall probity and integrity of ESIO financial systems and practices.
36. The Audit and Finance Committee is to meet as required. The meetings will be scheduled to permit timely review of the interim and annual financial statements. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member or the external auditors.
37. Supporting schedules and information reviewed by the Committee will be available for examination by any Committee member upon request to the Chair of the Committee.
38. The Committee chair will report annually to the membership at the Annual General Meeting.
39. The Audit and Finance Committee is accountable for the overall probity and integrity of financial systems and practices of ESIO, in particular that the:
- i. ESIO annual financial statements are fairly presented in accordance with the applicable accounting principles and financial reporting standards, and to recommend to the Board of Directors whether the annual financial statements should be approved;
  - ii. Financial statements and any reports from the Committee or the Board to the membership or other financial publications is not erroneous, misleading or incomplete;
  - iii. ESIO has implemented appropriate systems of internal control over financial reporting and that these are operating effectively;
  - iv. ESIO has implemented appropriate systems of internal control to ensure compliance with legal, regulatory and ethical requirements;
  - v. External audit function has been effectively carried out and that any matter which the independent auditors have brought to the attention of the Committee or Board of Directors of ESIO has been addressed;
  - vi. Financial management policies of the ESIO are appropriate and make recommendations to the Board regarding required amendments;

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- vii. Annual business plans and budgets are monitored and reported to the Boards of Directors through the interim financial reporting of actual results to budget and year end estimates to budgets;
- viii. The Financial condition of ESIO is monitored and any potential issues are reported to the Board of Directors;
  - a. ESIO has implemented appropriate systems of risk management to effectively identify, manage and monitor risks and opportunities to ESIO and its related entities;
  - b. Insurable risks and insurance coverage of ESIO are reviewed annually; and
  - c. Mandate and responsibilities of the Committee meet current expectations and practices for Audit and Finance Committees.

40. The Committee will recommend to the Board of Directors the reappointment or appointment of auditors pursuant to Policy.

41. The Committee may hold in camera meetings with the Auditor as required.

Policy approved

Date MARCH 16, 2018



Chair ESIO



Chief Executive Officer ESIO