



TAEKWONDO CANADA

Terms of Reference

Audit & Finance Committee

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House of Sport, 2451 Riverside Drive, Ottawa, Ontario, K1H 7X7

Committee Name: Audit & Finance Committee

Mandate: The Audit & Finance Committee (the “Committee”) is a standing committee of Taekwondo Canada (“TC”). Its role is to assist the Board of Directors (“Board”) in fulfilling its oversight responsibilities related to financial policies and financial governance in order to guide Taekwondo Canada to improve the integrity and objectivity of its financial reports. The Committee will also report to the Board on the status of TC’s finances.

Authority: The Committee is created by the Board and is an active advisor to the Board. The Treasurer will report to The Committee who will provide oversight over the Treasurer’s activity. The Committee may establish sub-committees to deal with specific issues in relation to the mandate of the Committee.

Key Duties: The Committee will perform the following key duties:

- Advise the Board on corporate accounting and financial processes and policies relating to all aspects of financial management including financial governance, financial transparency and financial controls and safeguards to be implemented to ensure sound financial management.
- Review the annual budget prepared by the Executive Director for submission to Sport Canada.
- Review the cash flows prepared by the Executive Director for submission to Sport Canada.
- Review interim financial statements and question management on significant variances between actual and budget as well as actual and the prior year.
- Review interim financial control questionnaires and question management as to the existence of any significant deficiencies in the design or operation of internal controls and any fraud.
- Review and recommend for approval the draft audited financial statements for any comments /suggestions/concerns before finalization and presentation to the Board.
- Review monthly bank and credit card statements for irregularities and highlight any irregularities to the Board if applicable.
- Provide suggestions/avenues for supplemental cash flow where available.
- On an ongoing basis, provide expertise to enhance the quality of Board discussion on finances and facilitate effective Board decision-making in this area.
- Manage the relationship with the external auditors by overseeing the work of the engagement, remuneration and termination of the external auditors.
- Confirm the external auditors are participants in good standing with the Canadian Public Accountability Board.

- Review the external auditor engagement letter.
- Review the management letter, containing the recommendation of the external auditors, and management's response and subsequent follow up to any identified weaknesses.
- Pre-approve all non-audit services the external auditors provide.
- Such additional duties as may be delegated to the Committee by the Board from time to time.

Composition:

The Committee members shall be appointed until their term expires, or until determined otherwise by resolution of the Board.

The Committee shall be comprised of three or more independent non-Directors with an audit and finance background and the minimum qualification of Chartered Professional Accountant. The Board will appoint the Chair for the Committee.

The Committee Chair, only with the Board's approval, may remove Committee members.

The membership of the Committee will have regard to the diverse nature of Taekwondo Canada's membership including language, gender, ability/disability and geographic location.

Should a vacancy occur on the Committee for whatever reason, the Committee Chair with the Board's approval, may appoint a qualified member to fill the vacancy for the remainder of the vacant position's term. In the absence of a Committee Chair, the Board may appoint a qualified member to fill the vacancy in consultation with the Treasurer.

Meetings:

The Committee will meet at a minimum of 5 times per year, on a quarterly basis and prior to finalization of the draft audited financial statements by the external auditors. The Committee will meet by telephone or in person, as required. The meetings will be at the call of the Chair.

Resources:

The Committee will receive the necessary administrative support and resources from Taekwondo Canada to fulfill its mandate. The Committee, with the approval of the Board, shall have the authority to retain persons having special expertise to assist it in discharging its key duties.

Reporting:

The Committee will report through the Chair to the Board at meetings as necessary. The Committee will report to the membership, in writing, at the Annual General Meeting as necessary.

Approval:

These Terms of Reference were approved by the Board of Directors of Taekwondo Canada on March 13, 2018.

Review:

The Committee will review these Terms of Reference on an annual basis and will make recommendations to the Board on any revisions, if warranted.