

Terms of Reference



ABCFP Finance Committee

(Approved by council May 27, 2005)

1.0 PREAMBLE

The association is duty bound to prudently and effectively manage its financial resources in furtherance of the duties and objects set out in the *Foresters Act* and the goals and objectives set by council. While council is ultimately responsible to ensure these ends are achieved, under the policy governance model adopted by council, these responsibilities are delegated to the chief executive officer (CEO) subject to the policy framework and monitoring procedures established by council. It is therefore the prerogative of the CEO to decide whether staff committees are required to help staff achieve the strategic goals set by council within the policy framework laid down by council.

2.0 PURPOSE

The primary purpose of this staff committee is to act as a team of “expert advisors” helping the CEO fulfill the financial responsibilities delegated to him/her by council. To that end, the committee reviews and provides feedback to the CEO regarding:

- The annual operating and capital budgets
- The monthly financial statements
- The annual financial statements
- The annual financial audit
- The annual Reserve Fund review
- The association’s banking arrangements
- The association’s insurance coverage
- The member services program

In carrying out this work, the committee will pay particular regard to whether the association’s financial affairs are being managed in compliance with all relevant laws of general application and council’s policies.

The committee is also expected to assist the CEO with:

- Carrying out periodic reviews of the association’s financial policies to identify shortcomings in those policies and to recommend ways to address those shortcomings;
- Responding to financial policy questions or concerns raised by council;

- Carrying out other financial monitoring activities specified by council.

3.0 COMPOSITION, APPOINTMENTS & REPORTING

The finance committee shall be composed of five registered members appointed by and serving at the pleasure of the CEO plus one council liaison representative appointed annually by council. Preference shall be given to members with significant interest in and knowledge of financial matters. The term of office for each committee member, other than the council liaison representative, shall be four years. No committee member shall be able to serve more than two consecutive terms. In the interest of continuity, every effort shall be made to stagger the terms of committee members.

The chair shall be selected by the committee on an annual basis at the first committee meeting following the association's annual meeting.

The responsibility to report to council on association finances and the work of the finance committee rests with the CEO but the council liaison representative may supplement those reports as he/she deems appropriate.

4.0 MEETINGS & DECISION-MAKING

Meetings will be held bimonthly and will normally be timed to precede council meetings by one to two weeks. Additional meetings may be called by the CEO as required. The March (review of reserve fund) and November (draft budget review) meetings will normally be face to face. To the extent feasible, meetings will be held by conference call.

The quorum required to conduct committee business shall be fifty percent of the committee membership, including the council liaison representative.

Most decision-making is expected to be consensual. If a consensus is unclear or in doubt, the chair may clarify the committee's view by calling a vote in which a simple majority shall prevail. Any decisions made shall be considered non-binding advice to the CEO who is solely responsible to council for the management of the association's financial affairs.

5.0 STAFF SUPPORT

The CEO's responsibilities relative to the finance committee will normally be delegated to the director of finance & administration who will also act as secretary to the committee.

Nevertheless, the CEO will work closely with the committee and will make every effort to attend committee meetings. Staff may participate fully in committee deliberations but, in the event of a vote, may not vote.

6.0 COMMUNICATIONS & CONFIDENTIALITY

Association committees, including council, speak with one voice. That is, any statements made on behalf of a committee must reflect the duly arrived at conclusions and decisions of the committee as a whole, not those of individual members. This does not preclude efforts by committee members to solicit and receive the views of members and others on issues before the committee.

Generally, statements on behalf of the committee, if any, will be made by the CEO. Except as noted above under REPORTING, other committee members may not speak on behalf of the committee unless specifically authorized to do so by the CEO.

Some of the matters going before the committee may be of a sensitive or confidential nature. Committee members are expected to exercise discretion and not engage in external communication on such matters unless explicitly authorized to do so by the CEO.

7.0 BUDGET

The committee's budget shall provide for the cost of all necessary meeting expenses, including reasonable travel costs for face-to-face meetings.