



## **AUDIT AND FINANCE COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. PURPOSE**

1.1 The Audit and Finance Committee (“**Committee**”) of [Wheelchair Rugby Canada](#) (the “**Organization**”) is established to assist the Board of Directors (“**Board**”) of the Organization in their oversight activities. The Committee Terms of Reference should be read in accordance with the *Canada Not-for-profit Corporations Act* (the “**Act**”) and the *Canadian Sport Governance Code* (the “**Code**”). The purpose of the Committee is to assist the Board in its supervision of:

- the adequacy of the Organization’s internal accounting controls and procedures,
- the integrity of the Organization’s accounting systems, preparation of financial statements and reporting procedures,
- the compliance by the Organization with legal and regulatory requirements in respect of financial disclosure,
- the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Organization’s business,
- the quality and integrity of the Organization’s consolidated quarterly and annual financial statements, and
- the qualification, independence and performance of the Organization’s independent auditor.

1.2 The Committee shall interface with the Organization’s independent auditor as to its reviews and recommendations.

1.3 The Board will revise these Committee Terms of Reference from time to time based on its assessment of the Organization’s needs, legal and regulatory developments, and applicable best practices.

#### **2. COMMITTEE COMPOSITION**

2.1 The Committee will be composed of at least two directors as designated by the Board from time to time.

2.2 The Committee shall have at least one independent director, as defined by the Code.



- 2.3 The chair of the Committee shall be designated by the Board from among the Committee members.
- 2.4 The members of the Committee will be appointed by the Board annually at the first meeting of the Board after a meeting of the members at which directors are elected and shall serve until the next annual meeting of members or until their successors are duly appointed or until such committee member resigns, retires or is removed from the Committee by the Board. The Board may fill any vacancy in the Committee by appointment from among the directors of the Organization.

### **3. COMMITTEE DUTIES AND RESPONSIBILITIES**

#### **3.1 Independent Auditor**

The Committee shall:

- recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board approval as is required under applicable legislation,
- obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and Board,
- oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting,
- pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor,
- adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Organization for any audit or non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Committee,
- provide notice to the independent auditor of every meeting of the Committee,
- review expense reports with the independent auditor, the Chair of the Board and the Chief Executive Officer (“**CEO**”),
- review the Written Certificate of the Chief Executive Officer and Chief Financial Officer, delivered quarterly and,
- review quarterly reports from senior management on tax advisory services provided by accounting firms other than the independent auditor.



### 3.2 The Audit Process and Financial Statements

The Committee shall:

- meet with senior management and/or the independent auditor to review and discuss,
  - the planning and staffing of the audit by the independent auditor,
  - any significant financial reporting issues and judgments made in connection with the preparation of the Organization's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Organization's financial statements,
- review the Organization's consolidated quarterly and annual financial statements and related documents,
- review the disclosure of financial information extracted or derived from the Organization's financial statements,
- review with the independent auditor,
  - the quality, as well as the acceptability of the accounting principles that have been applied,
  - any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication to senior management and the Organization's response to that letter or communication, and
  - any changes to the Organization's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.

### 3.3 Risk Management

The Committee shall:

- recommend to the Board for approval a policy that sets out the risk philosophy of the Organization and the expectations and accountabilities for identifying, assessing, monitoring and managing risks that are developed and are to be implemented by senior management,



- meet with senior management to review and discuss senior management's timely identification of the most significant risks,
- recommend to the Board for approval policies (and changes thereto) setting out the framework within which each identified risk of the Organization shall be managed,
- review with senior management the Organization's tolerance for financial risk and senior management's assessment of the significant financial risks facing the Organization,
- review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion, and
- review the adequacy of the insurance coverages maintained by the Organization.

### 3.4 **Compliance**

The Committee shall:

- review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Organization's financial statements or accounting policies,
- review senior management's written representations to the independent auditor,
- advise the Board with respect to the Organization's policies and procedures regarding compliance with applicable laws, regulations and the Code and Act, and
- establish procedures for
  - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or other auditing matters, and
  - the confidential, anonymous submission by employees of the Organization with concerns regarding any accounting or auditing matters.

### 3.5 **Compensation Matters**

If the Organization does not have a Compensation Committee or a Human Resources Committee, then the Committee will be responsible for the Organization's compensation objectives and policies. This shall include, but will not be limited to:

- the appointment, performance evaluation and compensation of senior management; and



- the compensation structure of senior management including salaries and annual and long-term incentive plans.

### 3.6 Delegation

To avoid any confusion, the Committees responsibilities identified above are the sole responsibility of the Committee and may not be allocated by the Board to a different committee without revisions to these Terms of Reference.

## 4. RESPONSIBILITIES OF COMMITTEE MEMBERS

4.1 The primary responsibility of Committee members is to act honestly and in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of the Organization. In addition to the responsibilities of Committee members as directors of the Organization, the Board has developed the following specific expectations of Committee members to promote the discharge by the Committee members of their responsibilities and to promote the proper conduct of the Committee.

- *Prepare for Meetings.* Committee members are expected to diligently prepare for each meeting, including by reviewing all materials circulated in advance of each meeting and should arrive prepared to discuss the issues presented. Committee members are encouraged to contact the Chair of the Committee, the CEO and any other appropriate senior officer to ask questions and discuss agenda items prior to meetings.
- *Attend at Meetings.* Committee members are expected to maintain a high attendance record at meetings of the Committee. Attendance by telephone or video conference may be used to facilitate a Committee member's attendance. The Organization will include in the materials that are distributed to the members in connection with the election of directors the attendance record of each committee member for all Committee meetings held since the beginning of the Organization's most recently completed financial year.
- *Participate in Meetings.* Committee members are expected to be active and effective participants in the deliberations of the Committee by participating fully and frankly in Board discussions and encouraging free and open discussion of the affairs of the Organization.
- *Continuing Education.* Committee members are expected to pursue continuing education opportunities to maintain and enhance their abilities as members of the Committee and ensure that their knowledge of the matters for which the Committee is responsible remains current.



## **5. ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

- 5.1 Committee members shall not liaise with management other than the CEO or CFO or assume operational responsibilities without the joint approval of the Board and CEO.
- 5.2 The Committee with the approval of the Board by resolution has the authority to retain, set the terms of and compensate independent legal, financial or other advisors, consultants or experts that it determines necessary to assist it in carrying out its duties.
- 5.3 The Committee may conduct any investigation appropriate to its responsibilities, and request any officer or other employee of the Organization, or any outside advisor, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.

## **6. MEETINGS**

### **6.1 Scheduling**

Committee meetings are scheduled in advance at appropriate intervals throughout the year. Additional meetings may be called upon proper notice at any time to address specific needs of the Organization. The Committee may also take action from time to time by unanimous written consent. A Committee meeting may be called by the Committee chair, the CEO or any two Committee members.

### **6.2 Notice**

Notice of the time and place of each meeting of the Committee must be given to each Committee member either by personal delivery, electronic mail, facsimile or other electronic means not less than 48 hours before the time of the meeting. Committee meetings may be held at any time without notice if all of the Committee members have waived or are deemed to have waived notice of the meeting. A Committee member participating in a Committee meeting is deemed to have waived notice of the meeting.

### **6.3 Agenda**

The chair of the Committee shall establish the agenda for each Committee meeting in consultation with the Chair of the Board and the CEO. The agenda will be distributed to Committee members in advance of each Committee meeting to allow Committee members sufficient time to review and consider the matters to be discussed. Each Committee member is free to request the inclusion of other agenda items, request the presence of, or a report by, any member of senior management and/or request the consideration of matters that are not on the agenda for that meeting, although voting on matters so raised may be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter.



#### **6.4 In-Camera Sessions**

Committee members will meet separately at every Committee meeting without management present. The chair of the Committee will inform the CEO of the substance of these meetings to the extent that action is required by management.

#### **6.5 Distribution of Information**

Information and data that are important to the Committee's understanding of the business to be conducted at a Committee meeting will normally be distributed to the Committee members reasonably in advance of the meeting or as soon as practicable provided that the materials for a meeting must be delivered to all Committee members not later than the Friday before that meeting (for meetings on Saturday or Sunday, the materials must be delivered to all Committee members no later than the second Friday before the meeting).

#### **6.6 Attendance**

A Committee member who is unable to attend a Committee meeting in person may participate by telephone or teleconference. All directors are welcome to attend meetings of the Committee. A Committee member cannot appoint a proxy or a delegate to attend a meeting in the Committee member's place.

#### **6.7 Quorum**

A quorum for any Committee meeting is a majority of Committee members.

#### **6.8 Voting and Approval**

Each Committee member is entitled to one vote and questions are decided by a majority of votes. In the case of an equality of votes, the chair of the meeting has a casting or second vote. The powers of the Committee may also be exercised by resolution in writing and signed by all of the Committee members.

#### **6.9 Procedures**

Procedures for Committee meetings are determined by the chair unless otherwise determined by the by-laws of the Organization or a resolution of the Committee.

#### **6.10 Secretary**

The Committee shall select a person (who need not be a Committee member) to act as Secretary to the Committee. In the absence of that person, or at the election of the Committee, the Committee may appoint any other person to act as secretary of the meeting. The Secretary keeps minutes of the proceedings of the Committee and circulates copies of the minutes to each Committee member on a timely basis.



**7. PUBLICATION ON WEBSITE**

- 7.1 These Terms of Reference will be posted on the Organization’s website: [www.wheelchairrugby.ca](http://www.wheelchairrugby.ca).
- 7.2 The Organization’s annual financial statements will be posted on the Organization’s website ([www.wheelchairrugby.com](http://www.wheelchairrugby.com).) within six months of year end.

<b>POLICY HISTORY</b>	
Approved	February, 2024
Next Renewal Date	February 2028