

**THE CANADIAN ASSOCIATION OF BUSINESS STUDENTS, INC**

**FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE**

**DATE EFFECTIVE: MARCH 17, 2015**

**COMMITTEE COORDINATOR:**

**CHAIR OF THE FINANCE AND AUDIT COMMITTEE**

**MICHAEL RICHARDSON**  
CHAIR OF THE BOARD OF DIRECTORS

**JOHN-MICHAEL MINON**  
PRESIDENT

**SEAN-ALEX FINELL**  
VICE-CHAIR OF THE BOARD OF DIRECTORS

SECRETARY

# **GENERAL PROVISIONS**

## **ARTICLE 1: PURPOSE**

- 1.1. The purpose of the Finance and Audit Committee Terms of Reference is to ensure that the responsibilities and expectations delegated to the Finance and Audit Committee by the Board of Directors are clear and well defined.

## **ARTICLE 2: COMMITTEE OBJECTIVES**

- 2.1. The Finance and Audit Committee is a Standing committee of The Canadian Association of Business Students (CABS) Board of Directors, responsible for:
  - 2.1.1. Assisting the Board of Directors in fulfilling its oversight responsibilities over the financial affairs of the organization to ensure the establishment of sound financial policies and practices which will lead to the long-term financial sustainability of the organization; and,
  - 2.1.2. Improving the credibility and objectivity of financial reports and to increase the independence of the auditors; and,
  - 2.1.3. Advising and assist the executive leadership team (through the Board of Directors) in advancing the goals of the organization's strategic development; and,
  - 2.1.4. Advising and assisting the President (through the Board of Directors) in advancing the strategic goals of the organization.
  - 2.1.5. Ensuring effective processes and control exist over risks that may affect the reputation, financial position, resources, or ability of the organization to carry out its desired objectives
- 2.2. Without limiting the general responsibilities as described above, the Finance & Audit Committee shall:
  - 2.2.1. Approve the organizations budget framework, which sets the guiding principles between costs, sponsorship funding, and membership fee levels
  - 2.2.2. Review and recommend to the Board of Directors the annual budgets
  - 2.2.3. Monitor the financial health of the organization through projections and forecasts, recommending corrective action where required.
  - 2.2.4. Review actual versus budgeted results on a quarterly basis.
  - 2.2.5. Endorse the underlying principles surround membership fee levels, as well as actual recommendation for the fiscal year.
  - 2.2.6. Review and recommend policies and actions to the Board of Directors that enhance the organization's financial position or financial performance (cost control or revenue generation)
  - 2.2.7. Review and recommend policies and actions to the Board of Directors capital expenditure proposals in accordance with Board-delegated authority and signing resolutions

- 2.2.8. Review trends which have implications for the financial health of the organization or which have the potential to impair the strategic development of the organization
- 2.2.9. Ensure that a sound resource-allocation framework is in place and that decisions are made within the approved framework.
- 2.2.10. Advise and assist the President (through the Board of Directors) in advancing the strategic goals of the organization

### **ARTICLE 3: ACCOUNTABILITY**

- 3.1. The Finance and Audit Committee submits minutes of its meetings to the next meeting of the Board of Directors and, where applicable and appropriate, the Finance and Audit Committee Chair reports every major matter considered by the Finance and Audit Committee since the last meeting of the Board of Directors.

### **ARTICLE 4: MEMBERSHIP AND PROCEDURES**

- 4.1. The Finance and Audit Committee is composed of at least four (4) members of the Board of Directors, all of whom are external to the organization's leadership team. The Board of Directors Chair, the Vice Chair and/or the President may be among the appointed members. The size of the Committee reflects the tasks it undertakes.
- 4.2. If possible, at least two (2) members of the Committee should have significant financial experience and expertise.
- 4.3. The Chair of the Board of Directors appoints Committee members with the assistance of the Board of Directors, based on qualifications and interest, and avoidance of potential conflicts of interest.
- 4.4. Members of the Finance and Audit Committee elect a Committee Chair from among the appointed members.
- 4.5. The Committee Chair is responsible for the better conduct of meetings, including agendas, information processes, and oversight of reporting and action items.
- 4.6. The Committee Chair cannot be a serving member of the CABS executive team
- 4.7. The Committee has the authority to engage independent counsel and other advisors, with prior approval from the Board Chair, subject to reasonable limits on resources available to the Board of Directors for these matters.
- 4.8. The Committee will receive (through the Secretariat) additional and reasonable support for the assembly, assessment and reporting of information.

### **ARTICLE 5: MEETINGS AND QUORUM**

- 5.1. Attendance by at least 50% of voting members is required to establish quorum.
- 5.2. The Finance and Audit Committee meets at scheduled times throughout the year, with additional meetings at the call of its Chair.

## **ARTICLE 6: STANDING MEMBERSHIP**

Daniel Love, *Simon Fraser University*

Gerry Zhan, *The University of Waterloo*

Kiran Singh, *Ryerson University*

Ryan Price, *The University of Victoria*

Sebastian Newall, *The University of Northern British Columbia*

Simon Bullock, *The Canadian Association of Business Students*

President (ex-officio) (voting)

Chair, Board of Directors (ex-officio) (non-voting)

Vice Chair, Board of Directors (ex-officio) (non-voting)