



### Purpose

To monitor the PCC's financial management and reporting. The committee is the liaison between management and other resources including the external auditors, and the Board.

### Composition and Term of Office

- a) The Finance & Audit Committee consists of up to 5 directors. The Board Chair proposes the directors to populate the committee for ratification by the Board at its first regular meeting in each fiscal year.
- b) The Board Chair appoints the Committee Chair from amongst the committee members.
- c) The Finance & Audit Committee meets as required by the Committee Chair and upon request of the Board Chair, management or the Board.
- d) Resource staff for the Finance & Audit Committee will include the Chief Executive Officer, Commission Secretary and other staff as required.

### Duties and Responsibilities

#### a) *Financial Reporting*

- Review and recommend for approval the annual audited financial statements of the PCC including a determination that the appropriate accounting methods have been used.
- Review the operating budget results, business risk, and explanations of variances between budgets and actual results and required proposed action no less frequently than quarterly.
- Monitor the process to ensure compliance with all regulatory returns, and reports as required to be filed.

#### b) *External Audit*

- Discuss the scope of the external audit of the financial affairs of the PCC, review the audit engagement letter and management's representation letters, and make recommendations to the Board.
- Monitor the progress of the annual audit, and make inquiries and receive reports as the committee thinks fit. As well, the committee shall receive the annual management letter from the external auditors and be responsible for ensuring that items of concern noted therein are resolved.
- Conduct an annual performance evaluation of the external auditor.
- Determine, on an annual basis, an auditor best suited to conduct the audit, and recommend to the Board of Directors.
- Receive reports and letters from government agencies on financial issues and be responsible for ensuring that items noted therein are resolved and reported to the Board.

#### c) *Risk Management*

- Through discussions with management and the external auditor, obtain reasonable assurance that the PCC's internal controls and performance monitoring systems are adequate.
- Annually, receive a report on risk exposure at the PCC and the steps that have been taken to determine, manage and report risks.
- Bring to the Board's attention all financial matters and potential risks of which it has knowledge that may affect the current or future position of the PCC.

### Accountability

- a) The Committee will report its deliberations to the Board through its minutes and the Committee Chair.
  - b) The Committee will review these terms of reference at its final meeting in each fiscal year and recommend changes to the Board.
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