



TERMS OF REFERENCE FOR THE INVESTMENT, FINANCE, AUDIT COMMITTEE

COAST ECONOMIC DEVELOPMENT SOCIETY

A. PURPOSE

The purpose of the Investment, Finance and Audit Committee (the Committee or IFAC) is to assist the board with the fulfilment of its oversight responsibilities with respect to financial and risk management.

The Committee is responsible for monitoring best practices for investment, finance and risk management, and furthering the effectiveness of the Society's overall financial management.

B. COMMITTEE MEMBERSHIP

- i. The Committee will have a minimum of three members including the chair of the Committee. In addition to the minimum three members, the Executive Director is an ex-officio (non-voting) member of the Committee. Directors who are not Committee members are welcome to attend Committee meetings.

The Director of Finance and Administration is the primary resource person for the Committee.

- ii. Committee members should have the ability to read and understand a set of financial statements which present a breadth and level of complexity of accounting issues that are generally comparable to the Society's financial statements. In addition, at least one member of the Committee should have a financial designation or relevant financial management expertise.
- iii. The board will appoint the members and the chair of the Committee.

C. COMMITTEE MEETINGS

- i. IFAC shall meet at least quarterly, with additional meetings at the discretion of the Committee members.
- ii. Any member of the Committee may call meetings of the Committee.
- iii. A quorum for all Committee meetings shall be two voting Committee members.
- iv. Except for the hiring and dismissal of investment managers, a simple majority is required to pass a motion. The resolution to hire or dismiss an investment manager requires the consent of all committee members.



D. DUTIES AND RESPONSIBILITIES

The board hereby delegates to the Committee the following duties to be performed by the Committee on behalf of and for the board:

Operating and Capital Budgets

- i. Recommend operating and capital budgets for approval by the board.

Financial Reporting

- ii. Review quarterly financial statements and recommend for approval by the board. Provide timely, meaningful reports on the Society's financial performance to the board including comparison of financial performance to approved operating and capital budgets.
- iii. Recommend accounting policies as required.

Investment Management

- iv. Quarterly, review investment management performance and compliance with investment policies and guidelines. Provide report on investment management performance and compliance to the board.
- v. Approve the hiring and dismissal of investment managers.
- vi. Annually, review investment policies and guidelines. Recommend changes as required for approval by the board.

Audited Financial Statements

- vii. Recommend the appointment and compensation of the external auditor. Oversee the independence of the external auditor.
- viii. Working with the external auditor, review and approve the audit plan and audit results. The Committee will meet with the external auditor at least once per year without management present.
- ix. Review the Society's annual audited financial statements and recommend for approval by the board.

Compliance

- x. Quarterly, review the Society's compliance with:
 - o Constitution and By-laws;
 - o Performance and Accountability Funding Agreement and Conservation Initiatives and Incentives Agreement (excluding sections pertaining to funding approvals);
 - o All statutory and regulatory obligations; and



- Internal policies (including investment policy but excluding funding approval policies).

Report material non-compliance to the board.

- xi. Periodically, review all internal policies (except for funding approval policies). Recommend changes as required for approval by the board.

Risk Management

- xii. Review and approve systems of risk management and internal controls established by management and the board to:
 - Ensure the Society's internal controls lead to the production of accurate financial statements and performance reports;
 - Ensure that management has appropriate systems in place to identify and manage risk; and
 - Prevent financial mismanagement.

- xiii. Develop and maintain a Coast Funds risk management plan for approval by the board.

Quarterly, report material changes to the risk management plan to the board.

Other

- xiv. Periodically review terms of reference and assess the Committee's effectiveness in meeting the needs of the board.

E. ACCOUNTABILITY

The Committee shall report its discussion to the board by oral or written report at each board meeting.

The Committee will also maintain minutes of its meetings which are available upon request by any Director.