

## FINANCE AND AUDIT COMMITTEE

### TERMS OF REFERENCE

NORTH ISLAND-COASTAL INITIATIVE DEVELOPMENT TRUST  
ISLAND COASTAL ECONOMIC TRUST

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#### A. PURPOSE

The purpose of the Audit and Finance Committee (the "Committee") is to work on behalf of, and assist, the board in fulfilling its financial accountability and oversight responsibilities, including:

- a. Ensuring the accuracy and integrity of the Trust's financial information;
- b. Recommending approaches for budgeting, financial reporting, and financial policy oversight responsibilities; and
- c. Monitoring systems of internal controls and oversee the internal and external audit functions.

The board of directors delegates authority to the Chief Executive Officer to implement on behalf of the board of directors all recommendations and decisions of the Committee, which are consistent with the scope of the Committee's work as defined in these terms.

#### B. COMMITTEE MEMBERSHIP

- 1) The Executive Committee will, by default, be comprised of the members of the Executive Committee if the board of directors has not made formal appointments to the Committee. In addition to the Committee members who are directors, the Chief Executive Officer is an ex-officio (non-voting) member of the Committee. The Chief Financial Officer serves as the Committee's primary resource person.
- 1) The Committee shall be comprised of not fewer than three directors and not more than five directors who are:
  - a. Independent of management; and
  - b. Financially literate
- 2) The Secretary-Treasurer is the Committee Chair unless the Committee elects another of its members as Chair.

#### C. COMMITTEE MEETINGS

- 1) The Committee shall meet at the discretion of the Committee Chair.
- 2) A quorum for all Committee meetings shall be a majority of voting Committee members. A simple majority is required to pass a motion.

#### 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:

- 1) Oversee the external audit process:
  - a. Recommend appointment and compensation of the auditor;
  - b. Oversee the independence of the external auditor; and
  - c. Receive the auditor's report and ensure recommendations are duly acted upon.
- 2) Oversee the work of the Chief Financial Officer and other financial staff:
  - a. Be represented and involved in the Chief Executive Officer's recruitment and selection of the Chief Financial Officer;
  - b. Review and recommend the annual budget; and
  - c. Review and recommend the annual financial statements and management and discussion analysis of the annual report.
- 3) Oversee the Trust's financial investments:
  - a. Monitor investment performance and compliance with the board's approved investment policy/strategy; and
  - b. Make recommendations regarding the engagement of independent investment review professionals or appointment of new investment managers.
- 4) Review compensation and expense policies for the board of directors and Regional Advisory Committees;
- 5) Review risk management and internal controls to:
  - a. Ensure the organization's sound financial performance;
  - b. Ensure that the Trust's systems have integrity and lead to accurate financial statements and performance reports;
  - c. Ensure that management has appropriate systems in place to identify and manage risk;
  - d. Prevent financial mismanagement;
  - e. Evaluate internal audit functions and make recommendations to the board on their effectiveness; and
  - f. Ensure that directors liability insurance is kept in good standing.

## **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.

*Approved by the board of directors on 25 October 2024.*