



Northern Ontario
School of Medicine
École de médecine
du Nord de l'Ontario
ᐱᐱᐱᐱᐱᐱ ᐱᐱᐱᐱᐱᐱ
L'ᐱᐱᐱᐱ ᐱᐱᐱᐱᐱᐱ

Finance, Audit and Risk Management Committee Terms of Reference

Finance, Audit and Risk Management Committee Terms of Reference			
Approval Authority:	Board of Directors		
Approved:	2020 03 18	Effective Date:	2004 03 11
Responsible Portfolio/Unit/Committee:	Chief Operating Office/Finance		
Responsible Officer(s):	Chief Operating Office		

1. ROLE

The Finance, Audit and Risk Management Committee provides support to the Board in fulfilling its responsibilities to ensure the financial and organizational viability of NOSM.

2. COMMITTEE RESPONSIBILITIES

The Committee shall:

- a) oversee the integrity of the Corporation's financial affairs, audit, information technology and capital building resources;
- b) periodically review the Board policies related to financial and organizational viability and recommend changes as required to the Board for approval;
- c) review, guide and/or make recommendations to the Board concerning resource issues including:
 - i) the development of annual and multi-year capital and operating plans;
 - ii) expenditure forecasting/planning;
 - iii) major expenditures not foreseen in the approved annual budget;
 - iv) annual and long-range revenue projections;
 - v) financial stewardship principles/protocols (as appropriate);
 - vi) oversight on policy and investment matters related to advancement including investment and management strategies, endowment and revenue generation;
 - vii) the Corporation's insurance;
 - viii) quarterly financial statements; and

- ix) implications of changes in legislation related to financial matters, labour and human resources, safety and physical plant operation.
- d) review, guide and/or make recommendations to the Board concerning all audit matters including:
 - i) review of audited financial statements and draft auditor's report;
 - ii) audit evaluation criteria;
 - iii) evaluation and appointment of auditor;
 - iv) auditor's management report;
 - v) audit fee;
 - vi) audit plan review;
 - vii) audit quality control processes;
 - viii) proposed evolving changes in accounting standards, major control deviations, fraud detection; and
 - ix) independence of other services provided by the external auditors.
- e) conduct in-camera meetings with auditors excluding managers and with managers excluding auditors;
- f) periodically review the policies related to enterprise risk management and external relationships and recommend changes as required to the Board for approval;
- g) receive and review from the other Board Committees and senior management any material risks identified by those committees in the course of pursuing their committee responsibilities;
- h) be knowledgeable about risks¹ inherent in NOSM's operations and oversee the performance of appropriate risk analysis. In particular, the Committee:
 - i) oversees management's risk management program;

¹ A risk is the "chance or possibility of danger, loss or injury. For health services organizations, this can relate to the health and well-being of clients, staff and the public; property; reputation; environment; organizational functioning; financial stability; market share; and other things of value."

Risk management is a systematic process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on that organization, including financial, strategic, operational, and other risks.

Canadian Council on Health Services Accreditation. CCHSA's Accreditation Program, 5th Edition, 2006

- ii) requires that appropriate programs and processes are put in place to protect against risk;
 - iii) expects management to identify unusual risks to the organization and develop plans to prevent and manage such risks;
 - iv) expects management to identify and assess the associated risks to the organization when reviewing and approving resource allocation decisions;
 - v) works with the Dean, President and CEO to reduce risks to the organization and promote ongoing quality improvement; and
 - vi) provides the Board with quarterly and annual updates on enterprise risk management assessments;
- i) with regards to the Defined Contribution (DC) Pension Committee, makes recommendations to the Board regarding changes to Plan design, investment, communication strategy and governance and Terms of Reference; and approval of the financial statements/Auditor's report.
- j) have the ability to appoint any sub-committee to carry out any responsibilities assigned to the Finance, Audit and Risk Management Committee. The sub-committees will report to the Finance, Audit and Risk Management Committee;
- k) perform an annual review of Committee performance; and
- l) perform such other tasks as outlined in the corporate by-law or requested by the Board.

3. MEMBERSHIP

The voting members of the Committee shall consist of:

- i) The Treasurer of the Corporation, who shall serve as Chair;
- ii) The Dean, President and CEO, ex-officio (non-voting for Audit matters);
- iii) The Vice-President, Administration, Lakehead University, ex-officio;
- iv) The Vice-President, Administration, Laurentian University, ex-officio;
- v) At least four (4) additional Directors; and
- vi) At least one (1) non-Director community member who has the appropriate skills and expertise,

The Chair and Vice-Chair of the Board may attend meetings, however will not be required to vote or count in quorum.

The Vice-Chair of the Committee (FARM) shall be elected annually. The Vice-Chair of FARM does not have to be a Director of the Board

At least one member of the Committee must be a financial professional and a minimum of one other member of the Committee must be financially literate.²

4. ACCOUNTABILITY AND REPORTING RELATIONSHIP

The Finance, Audit and Risk Management Committee is accountable to and reports to the Board.

5. TERM

Members shall be appointed annually by the Board of Directors.

6. QUORUM

A quorum shall consist of a majority of the members of the Committee.

7. MEETING SCHEDULE

The Finance, Audit and Risk Management Committee shall meet at least 4 times per year or at the call of the Chair.

8. STAFF AND RESOURCE SUPPORT

The Chief Operating Officer and Director of Finance shall provide staff and resource support to the Committee.

DO NOT REMOVE THIS VERSION RECORD FROM THIS DOCUMENT		
Version	Date	Authors/Comments
V1.0	March 11, 2004	Original Version
V1.1	December 11, 2009	Updated
V2.0	May 10, 2013	Full revision (governance review) name change from Finance & Audit.
V2.1	November 29, 2013	Edits made to be consistent with By-Law No 6
V.3	September 24, 2014	Edits from the changes to By-law No. 6 now 7 and 1 year review
V3.1	November 25, 2016	Connecting the requirement from the DC Pension Committee and removing Standing from Committees pursuant to the revisions to the By-Law language/reformatting to current template.
V3.2	November 20, 2017	Edits to change Chief Administrative Officer to Chief Operating Officer
V3.3	March 18, 2020	Edits to change Dean, President and CEO + change to election and representation of Vice-Chair

² Meaning of Financial Literacy -- An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. (OSC MULTILATERAL INSTRUMENT 52-110)