



DISCOVER THE ANSWERS AT THE CENTRE OF ENERGY

CALGARY CONVENTION CENTRE AUTHORITY

2013 AUDIT & FINANCE COMMITTEE TERMS OF REFERENCE

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1. Committee Terms of Reference

1.1 Audit & Finance Committee

1.1.1 INTRODUCTION

- (a) The Audit & Finance Committee (the “Committee”) is a standing committee of the Board of the Calgary Convention Centre Authority (“CCCA”) and is responsible for monitoring that effective audit systems are in place which informs the Board of the integrity of the financial statements and that accounting practices are in compliance with applicable laws and appropriate accounting principles. The Committee reviews the financial reporting process, the system of internal control, the system for managing risk, the audit process, and the CCCA’s process for monitoring compliance with laws and regulations.
- (b) In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors.

1.1.2 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- (a) The Committee’s principal duties and responsibilities fall into a number of categories, which are outlined below.

1.1.3 FINANCIAL INFORMATION AND REPORTING

- (a) Review and discuss with management and the External Auditor, as appropriate:
 - (i) The annual audited financial statements and all of the financial statements that require board of directors’ approval in order to recommend to the board that the statements are presented fairly, completely, and clearly. This review will include:
 - (A) The notes to the financial statements; and
 - (B) Management’s discussion and analysis of operations contained in the annual report and its consistency with the financial statements.
 - (b) Review the organization’s financial reporting and accounting standards and principles and any proposed material changes to them or their application; and
 - (c) Review any judgmental areas such as those involving estimates, valuation of assets and liabilities, and any unusual transactions.

1.1.4 INTERNAL AUDIT AND CONTROLS

- (a) Review the internal control functions including:

- (i) The purpose, authority and organizational reporting lines;
- (ii) The appointment and compensation of the Senior Accountant/ Controller.
- (iii) Review, with the Senior Accountant or others, as appropriate, the organization's internal system of controls and the results of internal financial reviews; and
- (iv) Working with the General Manager, evaluate whether management is communicating the importance of internal control and ensuring that all employees possess an understanding of their roles and responsibilities.

1.1.5 EXTERNAL AUDIT

- (a) Recommend to the board for approval the External Auditor to examine the organization's accounts, controls and financial statements and recommend to the Board the compensation to be paid to such auditors;
- (b) Evaluate the audit services provided by the External Auditor, pre-approve all audit fees and recommend to the board, if necessary, the replacement of the External Auditor;
- (c) Pre-approve any non-audit services to be provided to the organization by the External Auditor and the fees for those services in order to maintain the independence of the External Auditor;
- (d) Meet with the External Auditor and management separately to discuss any matters that the Committee or these groups believe should be discussed privately; and
- (e) Ensure that significant findings and recommendations made by the External Auditor are received and discussed on a timely basis.

1.1.6 RISK MANAGEMENT

- (a) Review and monitor the organization's major financial risks and risk management policies and the steps taken by management to mitigate those risks; and
- (b) Ensure that CCCA maintains adequate insurance policies to effectively mitigate against potential liabilities.

1.1.7 COMPLIANCE

- (a) With external auditors, review the organization's financial reporting procedures and policies to ensure compliance with all legal and regulatory requirements and to investigate any non-adherence to those procedures and policies; and

- (b) With external auditors, establish procedures for the receipt and treatment of any complaint regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

1.1.8 INVESTIGATIONS

- (a) Authorize investigations or studies of matters that reflect on the financial reporting or financial position of the organization or such other matters as deemed appropriate by the board.

1.1.9 OTHER DUTIES ASSIGNED BY THE BOARD

- (a) Review and recommend for approval by the Board the expense accounts of the Chair of the Board; and
- (b) Perform any other duties or functions as deemed appropriate by the board of directors.

1.1.10 ORGANIZATION

Size: The Committee shall consist of at least 3 members. A quorum will consist of a majority of members. The majority of members will have an appropriate level of financial literacy.

Membership: The Chair of the Committee will be appointed by the Board on the recommendation of the Chair of the Board. The appointed Chair will have demonstrated financial expertise.

Term: Members will be appointed for a term of one year.

Any member may be removed from the Committee or replaced at any time by the Board.

Meetings: The Committee shall meet quarterly and as deemed necessary by the Chair.

The General Manager may be asked to attend meetings. As well, other representatives deemed appropriate by the Chair may be invited to attend.

If the Chair of the Committee is not present at any meeting of the Committee, the Committee from among the members present shall choose the chair of the meeting. The Chair of the meeting shall cast the deciding vote in case of deadlock.

The Chair of the Committee shall appoint a secretary (“Secretary”) who may be a member of the Committee or an officer or employee of the CCCA or any other designate appointed by the Committee. In the event that the Secretary is absent from any meeting, the members present shall designate any director, officer or employee of the CCCA to act as Secretary.

1.1.11 PROCEDURES AND MINUTES

- (a) The time and place of the meetings of the Committee and the procedures at such meetings shall be determined from time to time by the Committee, provided that:
 - (i) Notice of the time and place of every meeting shall be given in writing or facsimile communication to each Member of the Committee, at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of the meeting; and attendance of a Member at a meeting is a waiver of notice of the meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
 - (ii) A resolution in writing, signed by all members of the Committee entitled to vote on that resolution at a meeting of the Committee, is as valid as if it has been passed at a meeting of the Committee. A copy of any such resolution in writing shall be kept with the minutes of the proceedings of the Committee.
 - (iii) Any matter to be voted upon shall be decided by a majority of the votes cast on the question.
 - (iv) All recommendations, directions, decisions and resolutions of the Committee shall be recorded by the Secretary to the Committee in the minutes of the meetings of the Committee, such minutes to be promptly circulated to the members of the Committee and the Chair of the Committee.

1.1.12 REPORTING

- (a) The Committee, through the Chair, shall regularly update the Board about Committee activities and make appropriate recommendations.