



Alberta Construction
Safety Association

Finance and Risk Management Committee Terms of Reference

Board Approved: May 6, 2022

Governance and HR Committee Reviewed: April
22, 2022

Authority

The Finance and Risk Management Committee is established by the Board of Directors and reports to the Board.

- The Finance and Risk Management Committee Chair is elected by the Board
- Committee members are appointed by the Board
- The Finance and Risk Management Committee Chair reports to the Board
- The Finance and Risk Management Committee Chair are a member of the Executive Committee and the Governance & HR Committee

Responsibilities

The Finance and Risk Management Committee has been established by the Board of Directors to establish financial and risk management policies and strategy for the ACSA. Specifically, the Finance and Risk Management Committee has been delegated the following responsibilities of the Board of Directors.

Policy Review

- Complete an annual review of finance policies.
 - Complete a gap assessment to identify new policy requirements.
- Develop recommendations for new/changed policies.

Risk Matrix

- Review and update Risk Matrix
- Monitor environment for emerging new risks/trends
 - Bring Recommendations and information forward to the Board
- Work with the CEO to seek and provide advice on mitigation and management of risk

Financial Stewardship and Performance Reporting

- Sign cheques in compliance with the ACSA Cheque Signing Policy. The Board Chair is the primary signer on behalf of the Board with the Finance and Risk Committee Chair available as a back up signer.
- Receive and review regular financial statements, performance reports, and budget.
 - Maintain a dashboard of key performance indicators (KPIs).
- Support the continued development of reporting systems, practices, tools, templates, and KPIs useful to the Board in assessing the performance of the organization relative to its strategy and key risks.
- Maintain understanding of trends impacting the financial position and risk profile of the ACSA.

- Review the annual audit.
 - Recommend auditor.
 - Receive and review audit results.

Other Responsibilities:

- Support the Board orientation process relative to the ACSA financial statements, and key financial and risk issues.
- Committee reports to the Board quarterly. Committee meeting minutes are to be shared with the Board.
- Complete a bi-annual review of the Terms of Reference.
- The Finance and Risk Management Committee will meet quarterly or as needed.

Composition

The Finance and Risk Management Committee will consist of:

- The Board Chair (*ex officio* of all Committees).
- The Past Chair (*ex officio* of all Committees).
- The Committee Chair as elected by the Board of Directors
- The Governance and HR Chair
- Plus, a team of at least 8, but not to exceed 12, Committee Members
- The CEO and other ACSA staff as a resource to the Committee.

The Committee may access external resources as required to fulfill its responsibilities through the Board.

Quorum

Meeting quorum shall not be less than a majority of its members. Questions arising at any meeting of the Finance and Risk Management Committee shall be decided by a majority of votes.

Committee Oversight Checklist (Finance and Risk Management Committee Guidelines)

The timetable below outlines the Committee’s schedule of activities during the upcoming year.

	Feb	April	June	Sept	Nov
Policy Review					
<ul style="list-style-type: none"> • Inventory current finance policies and perform gap Assessment focusing initially on mission critical policies 					X
<ul style="list-style-type: none"> • Bring/develop recommendations for new/changed policies forward to the Board 		X			
<ul style="list-style-type: none"> • Adopt new policies 			X		
Risk Matrix					
<ul style="list-style-type: none"> • Review and Update Risk Matrix 		X	X	X	X
<ul style="list-style-type: none"> • Monitor environment of emerging risk trends 		X	X	X	X
<ul style="list-style-type: none"> • Work with CEO to seek and provide advice on mitigation and management of risk 		X	X	X	X
<ul style="list-style-type: none"> • Chair to bring Risk Matrix recommendations forward during his report to the Board 		X	X	X	X
Financial Stewardship and Performance Reporting					
<ul style="list-style-type: none"> • Receive and review financial statements, reports, and Dashboard (MD&A) 	X		X	X	X
<ul style="list-style-type: none"> • Oversee audit <ul style="list-style-type: none"> ○ Recommend auditor ○ Receive and review audit results ○ Meet with Auditors 	X				
<ul style="list-style-type: none"> • Quick Review of the Terms of Reference and Committee oversight checklist 		X		X	
<ul style="list-style-type: none"> • Review Draft Budget 				X	
<ul style="list-style-type: none"> • Review WCB Funding Request with Draft Budget 			X		
<ul style="list-style-type: none"> • Committee Chair to attend Board Orientation 		X			
<ul style="list-style-type: none"> • Review Action Item List 	X	X	X	X	X
<ul style="list-style-type: none"> • Committee Chair to report to the Board quarterly 		X	X	X	X

Additional Activities	Frequency
<ul style="list-style-type: none"> • Review financial records 	Quarterly review, annual audit
<ul style="list-style-type: none"> • Directors' and Officers' liability insurance • Liability and Indemnity • Property Insurance 	Annual review, update every 3 years (ratified at Board meeting)
<ul style="list-style-type: none"> • Confirm Annual return is filed/ Societies Act/business registration and reporting 	Upon completion and/or annually with audit
<ul style="list-style-type: none"> • Review of long-term contracts - Contracts that are longer than 2 years, over a million dollars and passed completion date 	Annually (report to Board)
<ul style="list-style-type: none"> • New Investments 	As Needed
<ul style="list-style-type: none"> • Thorough Review of the Terms of Reference and Committee oversight checklist 	Every three years

Meeting Outline

February

- Preparation for the AGM
- Meet Auditors
- Recommend auditor
- Receive and review Financials

April

- Bring/Develop Recommendations for new changed policies forward
- Review Risk Matrix
- Quick Review of Terms of References/Committee Checklist
 - o Overview of what meetings will look like
- Review Action Item List
- Committee Chair to attend Board Orientation
- Committee Chair to Report to Board

June

- Receive and review Financials
- Review Risk Matrix
- Adopt new policies
- Review WCB Funding Request with Draft Budget
- Review Action Item List
- Committee Chair to Report to Board

September

- Receive and review Financials
- Review Risk Matrix
- Review Draft Budget
- Quick Review of Terms of References/Committee Checklist
 - o Make sure we have completed everything for the year
- Review Action Item List
- Committee Chair to Report to Board

November

- Receive and review Financials
- Inventory Current polices/Gap assessment
- Review Risk Matrix
- Review Action Item List
- Committee Chair to Report to Board