



Alberta Construction
Safety Association

Finance and Risk Management Committee Terms of Reference

Board Approved: September 24, 2021

Governance and HR Committee

Reviewed: September 15, 2021

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 is a member of the Executive 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.

Financial and Risk Management Policy and Strategy

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

Enterprise Risk

- Review and report on enterprise risk.
- Direct the development/use of a risk management framework and risk matrix that encompasses strategic, operational, financial, reputational and other risks.
- Review/monitor risks; bring recommendations and information forward to the Board.
- Receive the advice of Management regarding risk management approaches.
- Provide advice to Management re: mitigation/management of risk.
- Monitor environment for emerging new risks/trends.
- Develop definition of risk tolerance.

Financial Stewardship and Performance Reporting

- Provide stewardship of financial assets.
- 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.

- Review the annual audit.
 - Recommend auditor.
 - Receive and review audit results.
- Maintain understanding of trends impacting the financial position and risk profile of the ACSA.
- Produce the Management Discussion and Analysis (MD&A) based on 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 an annual review of the Terms of Reference; bring forward recommendations for changes.
- 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 plus a team of up to nine 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 next three years.

	June	Sept	Dec	Mar
Policy and Strategy				
<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	
Enterprise Risk				
<ul style="list-style-type: none"> Develop/implement a risk management framework (strategic, operational, financial, and reputational) 	X			
<ul style="list-style-type: none"> Develop definition of risk tolerance 	X			
<ul style="list-style-type: none"> Monitor environment of emerging risk trends 	X			
<ul style="list-style-type: none"> Review/monitor risks and bring recommendations forward to Board 		X		
<ul style="list-style-type: none"> Work with Executive Management to seek and provide advice on mitigation and management of risk 			X	
Financial Stewardship and Performance Reporting				
<ul style="list-style-type: none"> Receive and review financial statements, performance reports (KPIs) and budget 	X	X	X	X
<ul style="list-style-type: none"> Support continued development of reporting systems, practices, tools, templates and KPIs 	X	X	X	X
<ul style="list-style-type: none"> Develop dashboard 	X			
<ul style="list-style-type: none"> Oversee audit <ul style="list-style-type: none"> Recommend auditor Oversee activities Receive and review audit results 				X
<ul style="list-style-type: none"> Monitor environment of emerging financial trends 				X
<ul style="list-style-type: none"> Produce MD&A 				X
<ul style="list-style-type: none"> Support Board orientation process relative to the ACSA financial statements, and key financial and risk issues 				X
<ul style="list-style-type: none"> Review Terms of Reference and Committee oversight checklist 	X			
<ul style="list-style-type: none"> Review and refine updated policies; finalize recommendation to Board 			X	
<ul style="list-style-type: none"> Review preliminary performance dashboard; adopt as pilot 		X		
<ul style="list-style-type: none"> Finalize performance dashboard 			X	
<ul style="list-style-type: none"> Discuss and direct the changes in environment in the development of the Enterprise Risk Management (ERM) matrix and framework (working group task) 	X			
<ul style="list-style-type: none"> Review and refine ERM matrix and framework; adopt as pilot 		X		
<ul style="list-style-type: none"> Finalize ERM process and tools 			X	
<ul style="list-style-type: none"> Meet with auditor 			X	
<ul style="list-style-type: none"> Receive and review audit results 				X
<ul style="list-style-type: none"> Prepare and present MD&A 				X
<ul style="list-style-type: none"> Review annual budget 	X			
<ul style="list-style-type: none"> Review of quarterly financial statement and performance report 	X	X	X	X
<ul style="list-style-type: none"> Develop Committee report for Board 	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 	Annual review, update every 3 years (ratified at Board meeting)
<ul style="list-style-type: none"> • Societies/business registration and reporting 	Upon completion and/or annually with audit
<ul style="list-style-type: none"> • Review of long-term contracts 	Annually (report to Board)
<ul style="list-style-type: none"> • Liability and indemnity 	Annually (report to Board)
<ul style="list-style-type: none"> • Review general liability and property insurance 	Annually (report to Board)
<ul style="list-style-type: none"> • Investments, Reserve Policies 	Quarterly review of compliance annual audit (report to Board)