

CFMS FINANCE, AUDIT AND HUMAN RESOURCES COMMITTEE TERMS OF REFERENCE



APPROVED BY THE CFMS BOARD OF DIRECTORS ON MARCH 17, 2019

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Purpose:

1. The Finance, Audit, and Human Resources (FAHR) Committee, hereafter referred to as the “Committee”, is a committee of the Canadian Federation of Medical Students (CFMS), a federally incorporated organization under the Canada Not-for-profit Corporations Act.
2. The purpose of the Committee is to:
 - 2.1. Advise the CFMS Board of Directors with respect to its fiduciary and corporate governance responsibilities in relation to the organization’s financial reporting, application of accounting policies, financial management and investment functions, internal controls, and risk management systems.
 - 2.2. Monitor the accountability process and the quality of internal and external reporting.
 - 2.3. Monitor and assess the financial stability of the organization as it relates to revenue streams, which includes, but is not limited to, sponsorships, partnerships with financial support for the organization, and membership dues.
 - 2.4. Development and review of policies of the organization that pertain to finance, audit, or human resources.
3. The Committee is accountable to the CFMS membership as a whole and is therefore independent of the organization’s Board of Directors.

Composition:

4. The Committee will be chaired by the CFMS Vice President of Finance, hereafter referred to as the “Chair”.
5. The Committee will be vice-chaired by the CFMS Finance Attaché, hereafter referred to as the “Vice-Chair”.
 - 5.1. In the absence of the Chair, the Vice-Chair will take on the Chair’s duties.
6. The Committee membership will also include a skill-based team of two or more non-Board CFMS members appointed by the Chair via the Nominations and Selections process.
 - 6.1. Whenever possible, the majority of the Committee membership should have experience in financial matters.
7. The CFMS President, CFMS General Manager, and the Accountant and/or Bookkeeper retained by the CFMS shall serve as resources for the Committee upon request.
8. Quorum shall consist of a simple majority of the voting Committee membership, provided that one of the members in attendance is the Chair or Vice-Chair.

- 8.1. Provided quorum is met, decisions of the Committee shall be decided by a simple majority vote of those in attendance. The Chair shall only cast a vote if their vote changes the outcome.

Responsibilities:

9. Policy
 - 9.1. Review the organization's policies and procedures that pertain to finance, audit, or human resources, and recommend any changes to the CFMS Governance Committee and the CFMS Board of Directors. This includes, but is not limited to, the following:
 - 9.1.1. CFMS Financial Policy
 - 9.1.2. CFMS Investment Policy
 - 9.1.3. CFMS Sponsorship Policy
 - 9.1.4. CFMS Reimbursement Policy
 - 9.1.5. CFMS Travel Policy
 - 9.1.6. CFMS Human Resources Procedure
 - 9.1.7. CFMS Credit Card Use Policy
10. Budget Planning and Oversight
 - 10.1. Develop and approve processes for the creation and approval of the annual budget.
 - 10.2. Review financial assumptions used to develop the annual budget.
 - 10.3. Monitor performance against the annual budget on at least a quarterly basis.
 - 10.4. Recommend an annual budget to the Board of Directors.
11. Asset Management
 - 11.1. Develop and approve processes to manage the assets and investments of the CFMS effectively, efficiently, and in-line with best not-for-profit corporate governance practice.
 - 11.2. Review and make recommendations concerning tangible asset acquisitions greater than two thousand dollars (\$2,000).
12. Internal Controls and Risk Management
 - 12.1. Oversee, review, and provide recommendations on the quality and integrity of the CFMS Board of Directors' internal control systems.
 - 12.2. Ensure adequate corporate and directors' liability insurance is in place.
 - 12.3. Assure risk management processes are adequate for identification and monitoring of risks, including, but not limited to, areas of:
 - 12.3.1. Financial accountability and controls
 - 12.3.2. Investment risk tolerance
 - 12.3.3. Human Resources
 - 12.3.4. Conflict of Interest, particularly with respect to sponsorship
 - 12.3.5. Corporate and directors' liability
 - 12.4. Review the appropriateness of insurance coverage maintained by the organization, including, but not limited to, the following:
 - 12.4.1. Officers and Directors Liability
 - 12.4.2. Property Coverage
 - 12.4.3. Errors and Omissions

- 12.5. Review the status of pending or threatened material litigation against the organization.
13. External Financial Review
 - 13.1. Provide a recommendation to the CFMS General Assembly regarding the appointment of an auditor as per CFMS By-law Clause 94.
 - 13.2. Conduct in-camera meetings with the auditor to discuss matters that should be brought to the attention of the CFMS Board of Directors or to examine problems experienced in performing the review.
14. Financial Statements
 - 14.1. Review the organization's annual financial statements in August of each year and provide a recommendation to the CFMS Board of Directors regarding either their approval or steps for rectification.
 - 14.2. Review the organizations interim financial statements no less than twice during the year.
15. Sponsorship Oversight
 - 15.1. Oversee and review the CFMS' existing sponsorships on an ongoing basis.
 - 15.2. Seek out new organizational sponsorships on an ongoing basis.
16. Reimbursement Claim Dispute Resolution
 - 16.1. Resolve any disputes pertaining to reimbursement claims that have been forwarded to the Chair for review, as outlined in the CFMS Reimbursement Policy and CFMS Travel Policy.
17. Other Projects
 - 17.1. Review and provide comments on financial matters related to projects that fall outside the scope of these Terms of Reference, as decided on a case-by-case basis by the Committee or upon request of the Chair.

Deliverables:

18. The Committee, through the Chair's Finance Update session, shall report to the CFMS Board of Directors at their regularly-scheduled meetings (Fall, Winter, and Summer).
19. The Committee, through the in-camera Finance Report session, shall report to the CFMS membership as a whole at their regularly-scheduled general meetings (Spring and Annual).

Scope of Activities:

20. The Committee is empowered to make independent enquiry and investigation and require such information and explanation from the CFMS Board of Directors as it considers reasonably necessary to perform its duties as described within these Terms of Reference.
21. The Committee is empowered to engage external advisors as appropriate.
22. To facilitate appropriate oversight, the Committee and its members will have the power to access CFMS corporate information and records as if the Committee and its members were also members of the CFMS Board of Directors.
23. The Committee shall not have the power or responsibility to execute actions of management or the Board of Directors. Certain additional powers may be explicitly

delegated from time to time by the Board of Directors, as per the CFMS Delegation of Authority Policy.

Meetings:

24. At minimum, the Committee shall meet via teleconference four times a year, with one meeting occurring in each fiscal quarter.
 - 24.1. The specific timing of these meetings is at the discretion of the Chair or Vice-Chair.
 - 24.2. Additional meetings may be scheduled at the discretion of the Chair or Vice-Chair.
 - 24.3. Committee members shall review any relevant meeting materials circulated prior to a meeting such that each member is able to participate in the discussion.
 - 24.4. Only members of the CFMS FAHR committee may attend teleconferences or meetings of the committee.
 - 24.4.1. Individuals who are not members of the committee may only attend teleconferences or meetings of the committee at the discretion of the Chair and with the unanimous consent of the members of the committee.

Minutes:

25. The minutes of any Committee meeting shall be circulated prior to the subsequent meeting such that the Committee may approve or rectify the minutes at the aforementioned subsequent meeting.
 - 25.1. The minutes of any Committee meeting shall be made available to the CFMS Board of Directors upon request, regardless of approval status of the minutes.
 - 25.2. The approved minutes of any Committee meeting shall be made available to any CFMS member upon request.
 - 25.3. Attendance shall be taken at each meeting to ensure participation and for minute-taking purposes.

Communications:

26. Between meetings, Committee members may discuss Committee activities through appropriate channels, including, but not limited to, e-mail. Committee members should endeavor to keep the Chair updated on any new developments.

Relationship to Other Groups:

27. The Committee is cross-appointed within the CFMS Finance portfolio.
28. The Committee shall report to the Chair.
29. The Committee, at the discretion and direction of the Chair, may form subcommittees to facilitate ongoing Committee work. Committee members may be cross-appointed to such subcommittees at the Chair's discretion.

Related Policies and By-laws:

30. The Committee shall abide by the Terms of Reference outlined in this document, the policies listed in Clause 9.1, along with the CFMS By-laws.

Liability:

31. Each member of the Committee shall act with sound judgement and take into consideration all information provided to the Committee, while using the same diligence and prudence as a reasonably prudent person.

Term:

32. In the absence of a motion indicating otherwise, the Committee shall be assumed to be annually renewed by the CFMS Board of Directors.
33. Each individual member shall serve a term of approximately one year, concluding with the selection of the members of the subsequent Committee as outlined in Clause 6 of these Terms of Reference.

Terms of Reference are subject to annual review by the CFMS Governance Committee prior to submission to the CFMS Board of Directors for adoption and publication.