

## TERMS OF REFERENCE – FINANCE AND AUDIT COMMITTEE

### Mandate

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The Finance and Audit Committee (the “Committee”) is a committee of the Board. The role of this committee is to act on behalf of the Board in overseeing all material aspects of financial reporting and the audit of the annual financial statements.

### Key Duties

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The Committee will perform the following key duties:

#### Finance

- Recommend to the Board the approval of the annual budget;
- Review and discuss interim financial information with the Chief Executive Officer;
- Review financial reports prepared for various funding agencies;
- Review limits of responsibility and controls; and
- Review other financial information e.g. annual reports for consistency with the financial information in the financial statements and other reports required by Volleyball BC.

#### Audit

- Recommend to the Board the approval of the audited financial statements;
- Pre-approval of all audit and non-audit services to be performed by the external auditor, including the approval of the auditors’ annual engagement letter;
- Review reports from the external auditor concerning their independence;
- Reviewing the overall scope of the external audit, including areas of identified risk;
- Reviewing with the external auditors the results of the audit and determine if there were any difficulties or disputes with management, any significant changes in the audit plan, any significant changes in accounting policies and any management estimates that required significant judgment; and
- Recommend annually the re-appointment (or replacement) of the external auditors to the Board (and ultimately the Membership), and their compensation.

#### General

- Obtain Chief Executive Officer’s confirmation that all statutory filing and requirements have been met;
- Perform other duties as may be delegated to it by the Board (e.g. meeting with representatives from government funding agencies); and
- Advise the Board on issues that may come up from time to time.

### Authority

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The Committee has no authority to bind the board or Volleyball BC, and is strictly an advisory committee.

## **Composition**

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The Committee will be composed of the Secretary/Treasurer and at least two more board members. The Committee may invite one or more board or non-board members to participate in meetings or the review of certain matters, but cannot incur expenses on behalf of VBC without the approval of the Chief Executive Officer.

## **Appointment**

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The Board shall confirm the appointment of specific members of the committee.

## **Meetings**

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The Committee will meet a minimum of twice per year. The Committee may choose to hold additional meetings if considered necessary for it to carry out its responsibilities effectively.

## **Resources**

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The Committee should not require any significant resources, other than minor disbursements, and may not incur expenses without the approval of the Chief Executive Officer.

## **Reporting**

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Minutes of each meeting must be prepared and circulated to the Board of Directors at the next regularly scheduled Board meeting. The Committee may also present written reports and recommendations.

## **Performance**

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The performance and effectiveness of the Committee and its individual members should be assessed annually as part of the Board and Committees' evaluation process. The activities of the Committee should be assessed in relation to its mandate. In this way, the Committee will be continually improving and updating its mandate to meet the current issues of the organization and the environment in which it operates.

## **Approval & Review**

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The Terms of Reference were approved by the Board of Directors of Volleyball BC on November 26, 2020 and should be reviewed at least bi-annually.

**Reviewed:** July 2023

## APPENDIX A: FINANCE AND AUDIT COMMITTEE – RECRUITMENT, EVALUATION, AND SKILLS MATRIX

Outlined below is the optimal process of recruiting and selecting individuals to the Finance and Audit Committee. We recognize that there may be circumstances in which we have to adapt; however wherever possible we will respect the process outlined below.

The following sections describe the desirable characteristics and experience of an ideal individual member of the Finance and Audit Committee:

### 1.1 PERSONAL ATTRIBUTES OF FINANCE AND AUDIT COMMITTEE MEMBERS

- **A Committee member should have an excellent understanding of financial matters and a broad range of experiences in financial management or operations.**
- An individual should demonstrate **engagement and integrity**. They are committed to and passionate about VBC's vision, mission and values. They uphold high ethical standards and integrity in professional and personal details, particularly around finance and audit.
- A very desirable characteristic of a Committee member is **strong interpersonal skills** – articulate, comfortable with diversity of people, good listener. Members will need to be able to work effectively with strong, diverse personalities.
- A Member needs to be a **team player**. Consensus decision making is ideal, along with the ability to commit to a common way of working and speaking with one voice.
- **Time** to commit. Members must come to meetings fully prepared and on time, engaged, listen, speak up respectfully and work to resolve issues

### 1.2 EXPERIENCE AND SKILLS

The Finance and Audit Committee should, as a whole, possess the following skills and experience, while individual Members must possess more than one.

- **Leadership and/or Prior Committee Experience** - experience at a senior level managing operations of a large or complex commercial or non-profit entity and/or experience serving on non-profit committees, particularly those that are finance-related.
- **Accounting and Financial experience** – at least one individual must have a CPA designation
- **Risk Management** – experience in developing policies and Risk Management procedures to identify and deal with risk management issues.
- **General Business Development** – marketing, sales, sponsorship, and fundraising experience
- **Financial governance and Planning Experience**– experience in developing policies and practices as well as financial planning.

### **1.3 DIVERSITY AND REPRESENTATION**

Volleyball BC is committed to encouraging diversity, inclusion, equity and access in its administration and governance. Part of this is encouraging equitable representation on the Board and Committees. This includes:

- Representation from small and large membership regions.
- Representation that reflects the gender, ethnic and social diversity of British Columbia.
- Representation from a diverse variety of volleyball experiences, skill sets, and backgrounds.

Any assessment or review of diversity will be conducted by self-disclosure only and will not be mandatory for individuals to participate. This information will be collected by anonymous survey and shared at a high level.

### **2. EVALUATION AND RECRUITMENT PROCESS**

Committee members are appointed for a two-year term that commences on April 1 each year:

- a) The Volleyball BC Finance and Audit Committee shall be composed the Secretary/Treasurer and at least two more board members. The Committee may invite one or more board or non-board members to participate in meetings or the review of certain matters.
- b) The Finance and Audit Committee will be chaired by the Treasurer of the Board.
- c) The CEO and any designated staff member will be ex-officio and non-voting members of the Committee. They will attend all meetings.
- d) The Board shall confirm the appointment of specific members of the committee.

It is the responsibility of all Committee Members to help identify and recruit candidates for the Committee with the following considerations:

- Results from skills matrix to identify strengths, weaknesses, development opportunities, and gaps
- Consideration of current and long-term strategy and goals of the Committee, and the skills required to achieve them
- Intentional succession-planning to identify new individuals by the current members
- Open promotion of recruitment to all members.

This is an annual, evolutionary process, aimed at continuously improving the understanding of the Committee's needs and identifying existing and future skills, experiences and attributes. In order to identify the desired skills and experience, the Chair, CEO, and Lead Staff Person develop and analyze a Skills Matrix (attached below) to determine:

- the optimal attributes desired for the Committee as a whole and whether the categories should be changed or updated;
- the skills, background and experience of continuing Committee members;
- the "priority needs" (i.e., those attributes that should be added and/or strengthened on the Committee) to be filled in the appointment of new members.

The key steps and timeline of the process is outlined below:

<b>Prior to October FAC Meeting</b>	Chair, CEO/Staff Person review and update the Skills Matrix as necessary Chair presents Skill Matrix to current committee members for feedback and input at the October FAC Meeting
<b>Prior to February FAC Meeting</b>	Current Committee members complete the skill matrix as a self-assessment. Chair meets with each member to go through self-assessment and determine intentions for continuing involvement. Chair collates results and provides a high level summary of current composition with emphasis on skills gaps and over-indexed skills.
<b>No more than 90 days prior to the AGM</b>	Call for nominations is circulated to membership. Call includes details of targeted skills, attributes, and experience, along with reference to diversity and representation
<b>30 days prior to the AGM</b>	Nominations for the Finance and Audit Committee members are received. The Nominations Committee reviews potential candidates and consults with the Chair of the FAC and CEO regarding potential additions. The Nominations Committee makes recommendations to the Board. The Board reviews and endorses recommendations of individuals to join the Finance and Audit Committee.
<b>First meeting of the Board after the AGM (typically April/May)</b>	Board appointment of members to the Committee

