



## Audit, Finance and Conduct Review Committee Terms of Reference

The Audit, Finance and Conduct Review Committee provides general stewardship and oversight to the Corporation's financial and audit functions and activity, and recommends issues to be discussed by the Board. It ensures appropriate internal controls and information systems are in place, and that timely and complete auditing of the Corporation's activities and records is undertaken.

The Committee shall be charged with the following advisory functions, duties and responsibilities:

1. Review the annual audited financial statements with management and the external auditor prior to their submission to the Board for approval.
2. Review prior to issue, and report or recommend to the Board, all continuous disclosure and other documents of the Corporation that include financial statements specifically, without limitation, management discussion and analysis, and annual reports.
3. Review annually the results of the external auditor's report on the Corporation's financial records, including the management letter, and report to the Board any matter remaining unresolved.
4. Review procedures and standards related to the identification and reporting of related party transactions as required.
5. Authorize, and make appropriate inquiries of senior management regarding the internal audit function having full and unrestricted access to all functions, data, records, information, physical property and personnel pertinent to carry out internal audit responsibilities.
6. Annually confirm the organizational independence of the internal audit function with the Chief Internal Auditor regarding structure, safeguards and any possible interference.
7. Approve the internal audit strategic plan and annually review performance against that plan.
8. Annually review and approve the internal audit charter to establish and maintain oversight of the internal audit function.
9. Annually approve the risk-based internal audit work plan (including related party and second line of defense work) as well as the function's expenses, human resource administration and budgets. Review the plan when significant changes are made.
10. Review annually the reports of the internal auditor, external auditor and Provincial Auditor with respect to the state of the Corporation's internal control and management information systems, and report to the Board the results of the review (including CEO/CFO certification).
11. Annually review the Chief Internal Auditor's performance and remuneration. Providing input into annual goal setting and reviewing progress at mid-year.
12. Meet quarterly with the Chief Internal Auditor without senior management present.
13. Review quarterly status and individual audit reports of the corporation's internal auditor and report to the Board the nature of unresolved matters from the audit reports.



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14. Review quarterly the statement of defalcations, potential impairments to independence, significant risk or control issues, and results of the quality assurance and improvement program with the Chief Internal Auditor.
15. Approve the annual audit work plan of the external auditor and approve the external auditor fees. Review the Provincial Auditor audit involvement letter.
16. Review and approve the published quarterly reports including unaudited financial statements and management discussion and analysis, and report to the Board.
17. Approve the expense claims of the President and CEO on an annual basis. The committee Chair will approve specific expense claims of the President and CEO as required, as well as vacation time utilized by the President and CEO.
18. Recommend to the Board, for recommendation to CIC Board, the appointment or reappointment of an external auditor.
19. Review annually the report of non-audit fees paid to the external auditor and approve additional services fees estimated to be greater than \$50,000.
20. Review quarterly and report to the Board all directors' expenses, retainers and per diems, and refer any concerns or questions to the Chair of the Board for resolution.
21. At least every three years review and recommend to the Board for approval any amendments to the SGI Superannuation Plan documents based on an actuarial review. Recommend to the Board ad hoc increases as appropriate.
22. Review any report from the Provincial Auditor, external auditors or the internal auditor when the Corporation has acted outside of its legislative authority, and make recommendations to the Board as required.
23. Recommend to the Board appointments and terminations of the Chief Financial Officer, Chief Internal Auditor and Appointed Actuary.
24. Review and recommend to the Board the Corporation's financial strategy and capital structure and their consistency with the overall strategy of the Corporation.
25. Review and recommend to the Board major investments or divestitures by the Corporation, outside of the investment portfolio, including capital expenditures, major acquisitions or dispositions of significant assets.
26. Review the Crown Investments Corporation (CIC) dividend policy as required and ensure compliance with it.
27. Recommend to the Board the amount of the annual dividend.
28. Review and recommend for approval to the Board the Corporation's annual operating, capital and staffing budget.



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29. Recommend to the Board approval of the five-year financial forecasts.
30. Review at least every three years and make recommendations to the Board on the corporate sponsorship policy.
31. Review annually and report to the Board the corporate sponsorship report.
32. Work with the Risk Committee on shared risk issues.
33. Include the specific consideration of risk in the assessment of all major issues before the Committee.
34. Review annually an Auto Fund ex gratia payment summary report.