

## Terms of Reference for the Audit and Finance Committee

**Policy Type:** Governance Process

**Policy Number:** # 113

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### Composition

1. The Audit and Finance Committee shall be appointed at the first Board meeting of the calendar year.
2. The Committee shall be composed of a minimum of five Directors.
3. The Committee shall elect its own Vice Chair.
4. Internal staff resources will be provided for the Committee through the CEO.
5. A majority of Committee members constitutes a quorum.

### Accountability

The Committee will report to the Board following each Committee meeting.

### Meetings

1. The Committee shall meet a minimum of quarterly and may meet more frequently.
2. Extraordinary meetings to address specific items may be held at the call of the Chair.
3. Time-limited sub-committees may be formed to address specific issues.
4. The Audit and Finance Committee will meet with other Committees of the Chairs of other Committees as required.

## Functions and Responsibilities

1. The Audit and Finance Committee shall review and recommend to the Board:
  - a. the appointment of external auditors;
  - b. the Annual Budget and Financial Forecasts;
  - c. jointly with the Planning and Development Committee the Capital Plan;
  - d. changes in user charges;
  - e. financial policies;
  - f. financing proposals; and
  - g. acceptance of the Annual Audited Statement.
2. The Audit and Finance Committee shall review the draft Annual Report prior to presentation to the Board.
3. The Audit and Finance Committee shall ensure that the Victoria Airport Authority meets its statutory obligations and conducts its affairs in accordance with legal and regulatory requirements (for example, safety regulations, environmental laws, WCB regulations, employment and labour laws) and Board approved policies.
4. The Audit and Finance Committee shall monitor the following Board approved policies and report to the Board:
  - a. the Financial Plan;
  - b. the financial condition;
  - c. compensation and benefits;
  - d. asset protection;
  - e. environmental protection; and
  - f. emergency CEO succession.

5. The Audit and Finance Committee shall ensure the CEO is in compliance with reporting requirements as set out in the General Operating By-Laws and the Transport Canada Victoria Airport Authority Ground Lease.
6. The Audit and Finance Committee shall act as the Board's liaison with External Auditors.
7. Environment

The Audit and Finance Committee shall provide oversight of the environmental related activities of the Victoria Airport Authority:

- a. Review Board and management policies and associated due diligence procedures.
- b. Review management plans, strategies and outcomes regarding significant environmental issues, environmental risks and liabilities, and the impact of changes in environmental legislation and regulations.
- c. Receive reports, including operational and environmental performance reports, from management and exercise appropriate methods of inquiry and examination with respect to the information presented.
- d. In situations involving the hiring of third parties to review the environmental practices and procedures of the authority, the committee will review the terms of reference and have an opportunity to receive reports directly from the third party.
- e. Receive and review management's Annual Report to the Board regarding environmental due diligence matters.