

ONTARIO REAL ESTATE ASSOCIATION
Finance / Audit Committee
Terms of Reference

Date Approved: June 22-24, 2018 OREA Board of Directors	Type: Standing Committee (Article 8, section 8.02 of OREA By-law)
Review Date:	Accountability: This committee is accountable to the Board of Directors
Quorum: Sub-section 20.03(c) of Article 20 of the OREA By-law provides that " <i>at meetings of Committees, unless otherwise in this By-law provided, two members of the Committee, in addition to the chairperson of the meeting</i> ".	

Purpose:

As set out below.

Responsibilities:

The Committee shall:

- a) Ensure the integrity of OREA's financial affairs and examine the financial soundness of expenditures on programs and services in accordance with approved strategic initiatives;
 - b) Ensure that adequate financial policies and internal controls are put into place by management including adherence to regulatory, legal and tax requirements;
 - c) Review the capital expenditures and annual operating budget of the Association and make recommendations to the Board of Directors for approval;
 - d) Perform a mid-year capital expenditures and operating budget review, if necessary, and make recommendations to the Board of Directors for approval;
 - e) Review the cost/benefit analysis, and comment on the availability of funds to any individual or committee proposing an unbudgeted expenditure in excess of \$50,000.00 in conjunction with any other funding requests, prior to any such request being considered by the Board of Directors; for multi-year projects, review the project annually to ensure financial return is maintained and still consistent with OREA's strategic initiatives;
 - f) Review the quarterly financial statements, reports on performance compared to budget and other financial reports and report to the Board of Directors;
 - g) Make recommendations to the Board of Directors with respect to investment guidelines to invest temporarily surplus funds in such manner as it deems appropriate to obtain the best return on the investment without compromising
-

- the security of the capital;
- h) Review the appropriateness of the designated reserve funds annually, and determine adherence to regulatory, legal and tax requirements;
 - i) Review the information technology infrastructure periodically to ensure efficiency, appropriate system redundancy and backup, and data security;
 - j) Supervise the collection of annual membership dues in a general way;
 - k) Inform and advise the Board of Directors on financial matters, as required;
 - l) Inform and advise the Board of Directors annually on risks to the financial stability of the Association;
 - m) Request the Finance/Audit Committee Chair to communicate periodically on the financial status of the Association to Ontario Boards;
 - n) Recommend to the Board of Directors the appointment of auditors;
 - o) Review with the auditors and management:
 - 1. Annual audit plan;
 - 2. Annual audited financial statements prepared in accordance with Canadian generally accepted accounting principles with appropriate accounting policies and the auditors' report thereon, and make recommendations to the Board of Directors for approval;
 - 3. External audit function effectiveness and any matter that the auditors wish to bring to the attention of the Board of Directors has been given adequate attention;
 - 4. Issues of disclosure, corporate governance, fraud and illegal acts, non-compliance with laws or regulatory requirements, where such matters may impact the financial statements or auditors' report;
 - 5. Any matters raised by auditors with appropriate levels of management, and report back to the auditors their findings; and
 - 6. Additional work that should be undertaken by auditors in response to issues raised or concerns expressed.

Membership Criteria:

N/A

Chair

Article 8, Section 8.03 of OREA By-law provides that *'Except as specifically set out in this By-law, the Board of Directors shall appoint all members of a Committee and its chairperson. The chairperson of a Committee and any Committee member may be removed by the Board of Directors at any time. Unless otherwise determined by the Board of Directors at any time. Unless otherwise determined by the Board of Directors or as set out in this By-law, a committee of the Association shall have the power to regulate its own procedure.'*

Term:

As above.

Meetings:

N/A