



BOARD GUIDELINES FOR

TERMS OF REFERENCE: FINANCE AND AUDIT COMMITTEE

COMMITTEE:	Finance and Audit Committee	PASSED:	September 11, 2014
TOPIC:	Board Governance	AMENDED:	Feb 2015, Apr 2015; 22 Oct 2015, 26 Nov 2015; 26 May 2016; Mar 7, 2017, Apr 25, 2019, Apr 22, 2021
		REVIEW PERIOD:	As required.

STRUCTURE AND MEETINGS

The Library Board Chair, in consultation with members of the Board, shall appoint a Finance and Audit Committee (F&A) annually for the purpose of supervising and monitoring the financial and audit matters of the Library and reporting the same to the Library Board.

The F&A shall consist of 4 – 5 members, including the Council Representative. Quorum is achieved if 3 members are present.

The Chair shall be selected by the membership of the F&A at the first meeting of the year.

The predominant structure is that Committee recommendations are determined by consensus not by voting; however, if a vote is required a simple majority is required to pass the motion. If decisions need to be made between regularly scheduled meetings, the Chair may poll the Committee by phone or email to obtain Committee approval or rejection. Any such decisions made between meetings shall be documented in the minutes of the following regularly scheduled meeting.

The committee will meet 3 times per year, and as needed at the call of the Committee Chair.

FINANCIAL AND BUDGETARY DUTIES

The F&A, and the Director of Library Services (or designate), shall, on a quarterly basis, examine the financial statements, budget compliance reports and other financial information and report to the Library Board.

The F&A will be informed, for consent approval at its next meeting, of any budget change requests made by the Director of Library Services. Unless Board approval has been obtained, Budget change requests will require approval of the F&A Chair in addition to that of the Director of Library Services, if the change is greater than either \$10,000 or 50% of the total annual budget for that aggregated expense category.

The F&A shall review the annual operating and capital budget submissions, and surplus utilization requests prepared by the Director of Library Services, and report with recommendations to the full Board.

The F&A can, at its discretion, convene an annual meeting with the Director of Library Services and the Chief Financial Officer (CFO) for budget development discussions.

The F&A receives financial reports and policy recommendations from the CFO as required, and prepares its recommendations to the Board accordingly. The CFO will receive all F&A agendas and minutes, and may attend any F&A meeting to participate in discussions or make recommendations or presentations.

Any proposed changes or updates to Management Guidelines for Finance Policies shall be reviewed and approved by F&A on behalf of the Board.

FUNDRAISING AND DONATIONS

The F&A reviews, on an annual basis, all donation and fundraising funds received by the Library and a report on the disposition of donated funds. An expenditure in excess of \$5,000 from donations and fundraising must be approved by the F&A Chair in advance and in conjunction with the Director of Library Services. An expenditure under \$5,000 may be approved by the Director of Library Services.

The F&A annually reviews the activities of the North Vancouver District Public Library Endowment Fund and the management of the Fund by the North Shore Community Foundation, along with any other endowment funds.

GOVERNANCE

The F&A is to be notified, on a timely basis, by the Director of Library Services of any errors in Library compliance filings or payments (including, but not limited to, annual donation receipts, the annual Charitable Tax Return, and required payroll remittances and filings).

The F&A meets, in a timely manner, with the CFO and the Director of Library Services to review the annual audited financial statements and SOFI filings of the Library. The F&A shall make recommendations pertaining to these items to the Library Board.

The F&A receives any management letter or other communication from the external auditors to the Board, and responds if required. The F&A shall receive any internal audit report from the CFO and recommend corrective actions to the Library Board

The F&A reviews any proposed finance policy in detail and makes a recommendation to the Board as to acceptance of the policy change, insertion or deletion.

The F&A reviews, on a cyclical basis, the financial policies of the Library and makes recommendations for adoption or changes to the Library Board. A complete comprehensive review of all finance policies will be initiated by the F&A on a 3 to 5 year cycle.