

Terms of Reference: Financial Oversight Committee

DATE OF EFFECT: 11-26-2025

LAST REVISED: 11-26-2025

PURPOSE & SCOPE

The purpose of these Terms of Reference is to outline the expectations, responsibilities, and best practices for a Finance and Audit Committee to assist the Board of Directors in fulfilling its oversight responsibilities related to financial management, internal controls, financial reporting, and the annual external review.

The Committee acts as a standing committee of the board and is responsible to ensure the financial health and integrity of Rural Artists Against Hate, guaranteeing compliance with relevant policies and the Canadian Generally Accepted Accounting Principals.

MEMBERSHIP

- This Committee shall consist of a minimum of three (3) members appointed annually by the Board of Directors.
- Non-director volunteers with relevant skills may be appointed to this committee, however, at least 60% must be voting Directors or Officers of the Board.
- The Treasurer of the Board shall be a mandatory member of the Committee.
- The Committee Chair shall be appointed by those serving as Committee members.
- The Board Chair and Executive may attend meetings ex-officio (non-voting) as requested by the Committee Chair.

COMMITTEE MEMBER QUALIFICATIONS & SKILLS

The Committee seeks members who collectively possess the skills necessary for rigorous financial oversight.

- Core Financial Expertise which would be an asset:
 - Experience with non-profit financial management or accounting principles (GAAP).
 - Knowledge of risk management and internal control structures.
 - Ability to read, analyze, and interpret financial statements and budget-to-actual reports.
 - Impartiality and a commitment to maintaining the integrity of RAAH's financial processes.
- Governance and Administrative Skills which would be an asset:
 - Strong organizational and administrative skills, with meticulous attention to detail and a commitment to accuracy.
 - Excellent written and verbal communication skills, including the ability to take clear and concise meeting minutes.
 - A solid understanding of governance processes and non-profit management.
 - Experience or willingness to learn about Board roles, bylaws, policies, and legal requirements for non-profit organizations.
 - Ability to work collaboratively and supportively with the Chair, Board members, and other stakeholders.
 - A strong commitment to RAAH's mission and values, with a focus on inclusivity, transparency, and accountability.

- Equity and Capacity Building which would be an asset:
 - In alignment with RAAH's values of equity and learning, individuals without all required qualifications are welcome to participate in mentee roles on the Committee. This arrangement allows individuals to gain required experience and bridge knowledge gaps for future, more wholesome participation.

TERMS OF ENGAGEMENT

- Members and the Committee Chair are appointed by a resolution of the Board of Directors at the Annual General Meeting (AGM) or as needed to fill vacancies.
- Members shall serve a one-year term, renewable annually at the discretion of the Board.
- A member may be removed by a simple majority vote of the Board of Directors or may resign by providing written notice to the Board Chair.

KEY RESPONSIBILITIES

The Committee's duties are derived from the Policy on Finance and Audit and related policies, including:

- Financial Planning and Budgeting
 - Review the proposed annual budget prepared by the Executive/Treasurer and recommend its final approval to the full Board of Directors before the start of the fiscal year.
 - Ensure the budget aligns with RAAH's strategic directions and operational needs.
 - Review any significant proposed additions to the budget, particularly Value Initiatives worth more than \$10,000, prior to their submission to the full Board for approval.
- Financial Reporting
 - Review the bi-annual internally prepared financial statements and reports before they are presented to the full Board.
 - Monitor expenditures against the approved budget and review budget-to-actual comparison reports quarterly or as required.
- Internal Controls and Risk Management
 - Monitor the implementation and effectiveness of the organization's internal controls (including processes defined in the Procedure on Reimbursement) to ensure the protection of assets and reliable financial data.
 - Review and recommend updates to accompanying procedures that define adequate internal controls.
- Audit and External Review
 - Oversee the engagement of the external accounting firm for the Annual Review Engagement (Audit).
 - Review the results of the Review Engagement, including the management letter and financial statements, and present a summary to the Board and the Annual General Meeting.
- Policy Compliance
 - Monitor adherence to all financial policies, including the Policy on Gift Acceptance, the Policy on Volunteer Compensation, and the Policy on Reimbursement.
 - Review the Tracking and Oversight data for approved reimbursement claims, ensuring compliance with the *Delegation of Financial Authority.

MEETINGS

- The Committee shall meet at least two times per year (bi-annually) to align with the review of the internal financial statements, and more frequently as required to fulfill its duties, particularly during the annual budget and audit cycles.
- A quorum shall consist of a majority of the Committee members.
- Meeting agendas and supporting materials must be distributed to all members at least 48 hours in advance of the meeting.

AUTHORITY AND REPORTING

The Committee is authorized by the Board to:

- Investigate any matters within its Terms of Reference.
- Recommend the engagement of external counsel or consultants (e.g., auditors) to the Board, provided that such engagement is within an approved budget line or specifically approved by the Board.

The Committee Chair is responsible for providing the Board of Directors with a verbal or written report of its proceedings, findings, and recommendations following each meeting. All official recommendations must be documented in the minutes and formally submitted to the Board for adoption.