

London Public Library Board Financial Oversight Committee

Terms of Reference

Authority

In accordance with London Public Library (Library) Board By-Law, Section 6, the Library Board approved a motion to create a Board Financial Oversight Committee on May 20, 2021.

Mandate

The Finance Committee is charged with assisting the Board in its oversight of:

- Proposed operating and capital budget for approval by the Board;
- Proposed major allocations and compliance for the trust funds;
- The integrity of the Library's financial statements and other financial information;
- The performance of the Library's external auditors, and
- Library Policies related to finance and financial risk management.

Membership

- Membership will consist of three (3) Board members, with at least one being a member of the Board Executive
- Members of the Committee will be appointed by the Board for a one-year term
- If possible, at least one member of the Committee shall be financially literate or have financial experience, preferably a Chartered Professional Accountant (CPA)
- The Chair of the Committee will be elected by the members of the Committee
- The CEO and Director, Financial Services will be non-voting members, with the CEO, in accordance with the Library's Board CEO-Linkage Policy, being the official connection to the operational organization

Specific Responsibilities

The Committee's specific responsibilities include the following:

1. Operating and Capital Budgets

- a. Recommend proposed operating and capital budgets to the Board for approval
- b. Review quarterly financial reports including financial forecasts and analysis of key variances

2. Trust Funds

- a. Review and recommend major trust fund allocations to the Board for approval
- b. Monitor and ensure compliance for the Library's Registered Charity Status with Canada Revenue Agency (CRA).

3. Integrity of Library's finances

- a. Review the adequacy of financial internal controls
- b. Monitor and ensure compliance with relevant statutory and regulatory financial requirements.
- c. Monitor management controls to ensure that risk and liability to the Library is minimized.

4. The performance of the Library's external auditors

- a. Review objectives and scope of the Auditor's proposed audit plan
- b. Review and discuss with the Auditor issues raised, recommendations or significant judgments in accounting estimates
- c. Ensure that management responds appropriately and in a timely manner to all recommendations by the Auditor as endorsed by this Committee
- d. Report to the Board on the effectiveness of the Auditor and recommend for approval the Audited Financial Statements

5. Policies related to finance and financial risk management

Review, update (as required) and recommend Board policies related to finance and financial risk management

Meeting Frequency

The Committee will meet at least once per quarter. Additional meetings of the Committee may be called by the Committee Chair or two members of the Committee.

Quorum

A majority of Board Committee members will constitute a quorum.

Reporting

The Committee Chair or his or her designate shall report to the Board on material matters arising at Committee meetings and, where applicable, present the Committee's recommendation to the Board for its approval.