

TEMAGAMI FIRST NATION

Audit Committee Terms of Reference

Chief and Council of the Temagami First Nation (TFN) hereby resolves to establish a Committee to be known as the Audit Committee. The Audit Committee is an excellent learning opportunity for those with an interest in the finances of Temagami First Nation.

1. Purpose

The purpose of the committee is to contribute to ensuring strong accountability (gway a ko chi gewin) in the TFN. The Committee will work to improve the quality of the financial information available to the TFN and to ensure that this information is presented to the community in meaningful and understandable ways.

2. Membership

The Audit Committee shall consist of up to 5 members (Minimum of 3) with financial experience or interests. A 5-member committee will be comprised of 2 Council representatives, 2 members of the community and an external member. Community members will serve 3-year terms with option for renewal.

The Chair of the Committee will be appointed by the Committee. Quorum shall be a majority of the committee members or in the case of an even number of committee members, at least half must be present.

3. Attendance

Committee members are expected to attend all meetings prepared to participate fully in the meeting

The Finance Manager and the Executive Director of the TFN (TFN management) and a representative of the external auditors shall normally attend meetings.

4. Frequency of Meetings

Meetings shall be held not less than twice a year. A meeting will be held prior to the year end to review the audit plans and approve audit fees. A second meeting will be held following completion of the audit to review the annual financial statements and the audit findings. The Chair of the Committee or the external auditor may request additional meetings if required.

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5. Authority

The Committee is authorized by Chief and Council to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee. With Council approval, the Committee may obtain outside legal or other independent professional advice if it considers this necessary.

6. Duties

The duties of the Committee shall be:

- to consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal (in the absence of the external auditors where appropriate).
- to discuss with the external auditors before the audit commences the nature and scope of the audit.
- to review the annual financial statements before final approval by Chief and Council, and subsequent presentation to the Community, focusing particularly on:
 - the appropriateness of the accounting policies used,
 - any changes in accounting policies and practices,
 - major judgmental and risk areas,
 - significant adjustments resulting from the audit,
 - compliance with accounting standards as prescribed by the Public Sector Accounting Standards Board of the Canadian Institute of Chartered Accountants , and
 - compliance with INAC (Indigenous and Northern Affairs Canada) reporting requirements as outlined in the INAC Year End Financial Reporting Handbook and funding requirements, and other legal requirements.
- to discuss problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss (in the absence of management where appropriate).
- to review the external auditors' management letter and management's response.
- monitor the Investment Policy of the TFN and provide periodic reports to Chief and Council. These reports shall include a summary of the short and long- term investment performance, recommendations for any changes to the Investment Policy or for any change in the Portfolio Manager, and a recommendation for a sustainable spending level relating to the invested assets.

7. Reporting and Committee support

The minutes of Audit Committee meetings shall be prepared by TFN management and circulated to members of the Committee. TFN management shall provide support as required to the Committee and Chair.