

TEMAGAMI FIRST NATION

Finance and 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 Finance and Audit Committee (the Committee). The 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 financial 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 Committee shall consist of a minimum of 4 members with financial experience or interest. At least 2 members will be Council representatives and the balance will be community members which may include an external member.

Council representatives will be appointed by Council to the Committee as soon as possible following their election to Council and serve to the end of their term on Council. Community members will serve 3-year terms with option for renewal. Continuity is a guiding principle in selecting community members.

A Chair and Vice-Chair of the Committee will be appointed by Council, one of whom shall be a Council representative. 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 of which one must be a Council representative.

3. Meetings

Committee members are expected to attend all meetings, either in person or by conference call, prepared to participate fully in the meeting.

The Finance Manager and the Executive Director of the TFN (TFN management) will normally attend meetings. A representative of the external auditors will attend any meetings relating to the external audit.

Meetings shall be held not less than four times 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. Additional meetings as required, shall review the quarterly financial reports. The Chair of the Committee or the external auditor may request a special meeting of the Committee.

4. 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.

5. 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).
- discuss with the external auditors before the audit commences the nature and scope of the audit.
- 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 Chartered Professional Accountants of Canada,
 - compliance with the TFN Financial Administration Law, and
 - compliance with ISC (Indigenous Services Canada) reporting requirements as outlined in the ISC Year End Financial Reporting Handbook and funding requirements, and other legal requirements.
- 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).
- review the external auditors' management letter and management's response.

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- receive the annual budget and multi-year financial plan approved by Chief and Council
- review the quarterly financial report prepared by the Finance Manager prior to submission to Chief and Council
- 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.

6. Reporting and Committee support

The minutes of the Committee meetings shall be prepared by TFN management and circulated to members of the Committee. Draft minutes will be provided to Council following each Committee meeting. TFN management shall provide support as required to the Committee and Chair.