

Toronto Seniors Housing Corporation (TSHC)

AUDIT, FINANCE AND RISK COMMITTEE

Terms of Reference

(Approved by TSHC Board on Nov. 23, 2021)

Purpose

The Audit, Finance and Risk Committee (the Committee) is a standing committee of Toronto Seniors Housing Corporation (the Corporation) Board of Directors (the Board). The purpose of the Committee is to monitor significant financial planning, management, reporting, and risk matters of the Corporation.

Accountability

The Committee is accountable to and reports to the Board of Directors.

The Committee will retain external advisors as appropriate to provide relevant expertise and any other support as required or deemed appropriate, following a Board-approved selection process.

Responsibilities

The Committee has responsibility for:

- Oversight of the reliability and integrity of the accounting principles and practices used by the Corporation
- The Corporation's financial statements and other financial reporting, including:
 - Reviewing and discussing with management and the independent auditor the Corporation's annual financial statements.
 - Recommending to the Board approval of the audited financial statements.
 - Reviewing major issues regarding accounting principles and financial statement presentation.
 - Reviewing all critical accounting policies and practices, including all alternative treatments of financial information and disclosure principles and practices followed by management.
- Review of the Corporation's performance, including:
 - Cash flow forecast and budget.
 - Cash flow performance against forecast and budget.
 - Monitoring management reporting on key financial performance indicators.
 - Recommending approval of the financial information contained in the Progress Report to the Board.
 - Recommending approval of the annual budget, Funding Proposal and financial information contained in the Corporate Plan to the Board.

- Oversight of the independent auditor’s performance, including:
 - Recommending the independent auditor for appointment or replacement and recommending compensation of the independent auditor to the Board.
 - Receiving all reporting from the independent auditor, including the annual audit plan and any findings of the independent auditor during the course of the audit.
 - Reviewing and pre-approval of all non-audit services to be performed by the independent auditor.
 - Confirming the independent auditor’s independence.
- Overseeing management’s establishment of an adequate system of internal controls, and procedures and review and monitoring of effective performance of those internal controls and procedures, including oversight of management’s handling of the Corporation’s major financial exposure; overseeing policies for internal financial control and reporting.
- Overseeing and recommending for approval to the Board insurance coverage for the Corporation.
- Overseeing enterprise-wide management of risks, including:
 - Review and approval of the Corporation’s risk governance framework, risk tolerance, risk assessment and risk management practices, and the guidelines, policies and processes for risk assessment and risk management.
 - Review with management the categories of risk the Corporation faces and management’s plan to manage and mitigate the risks. Such categories of risk may include, but are not limited to:
 - Governance
 - External
 - Regulatory and Compliance
 - Financial and Investment
 - Operational
 - Review periodic reports from management on the metrics used to measure, monitor and to manage risks, including management’s views on acceptable and appropriate levels of risk exposure.
- Establishing relevant financial policies for Board approval.
- Monitoring compliance with funding agreements and relevant legislation.
- Other decisions delegated to it by the Board.

Applicable Policies and Documents

As determined by a resolution of the Board from time to time.

Committee Membership

The Committee consists of a minimum of two, all of whom are members of the Board of Directors, are independent of the Corporation’s management and are financially literate. At least one member should

have an accounting background or related financial management experience. The Board Chair is an ex Officio voting member of the Committee.

The Board shall appoint one of the Committee members to be the Committee Chair.

Committee members are appointed for a one-year term with the possibility of renewal.

Resources to support the Committee

The Committee will be supported by Interim Finance Lead, Interim Transitional Lead and Chief Corporate Officer and Interim Executive Assistant for administrative support.

Meetings, Meeting Schedule and Frequency

The Committee meets at least quarterly. The Committee may choose to hold additional meetings if it considers them necessary for it to carry out its responsibilities effectively. Meetings can be held at any time as determined by its members, provided notice of such meeting is given to each member of the Committee. Meetings will be held by videoconference.

A majority of the Committee shall constitute a quorum for the transaction of business at any meeting thereof, and the act of a majority of the members of the Committee present at any meeting at which a quorum is present shall be the act of the Committee. The Chair, or in his or her absence, one of the directors shall preside at all meetings of the committee.

The Board Chair's attendance is counted to determine whether a quorum is present at a meeting.

In the event of a vote that results in a tie, the Chair of the Committee has a casting vote.

Committee meetings are subject to the Board of Directors Closed Session Policy

Committee meetings are open to the public

Committee meetings are open to deputations as per the TSHC Deputations Policy

The Committee Chair will provide a verbal report to the Board of Directors supported by written reports and resolutions on all matters requiring a Board decision and a summary briefing note on matters for information of the Board.

Minutes of meetings will be available to members of the Board on request for information only .

Committee Performance

The Committee will:

- Ensure members are provided with the appropriate resources and education to fulfill the Committee's responsibilities.

- Monitor the performance and effectiveness of the Committee and its individual members will be assessed annually as part of the Board's evaluation process.

The Board will review the committee's charter on an annual basis to ensure that it remains appropriate to the circumstances of the Corporation and of the Board.