

Finance and Audit Committee

Terms of Reference

Updated: December 2016

Mandate

The Finance and Audit Committee assists the Benchers with oversight of the financial affairs of the Law Society. The Committee provides recommendations on the annual fees, reviews the annual budgets, and reviews the financial and investment results on a quarterly basis. In addition, the Committee oversees the external audit process, recommends the approval of the audited financial statements to the Benchers, and provides oversight over the internal controls and enterprise risk management of the Law Society.

Composition

1. Under Rule 1-49, the President may appoint any person as a member of a committee of the Benchers and may terminate the appointment.
2. The President should appoint members based on relevant knowledge, skills and operational background.
3. The Chair must be a Bencher and at least one member must be an Appointed Bencher.

Meeting Practices

1. The Committee operates in a manner that is consistent with the Benchers' Governance Policies.
2. The Committee shall meet a sufficient number of times to fulfill its mandate.
3. Quorum consists of at least half of the members of the Committee (Rule 1-17 (1)).

Accountability

The Committee is accountable to the Benchers as a whole.

Reporting Requirements

The Chair shall report regularly to the Benchers on the work of the Committee.

Duties and Responsibilities

1. Financial Reporting (General Fund and Lawyers Insurance Fund)
 - a. Review the draft annual fees and related budgets prepared by management, including periodic department reviews, and make a recommendation on the annual fees to the Benchers.
 - b. Review the financial results on a quarterly basis.
2. Internal Controls and Risk Management (General Fund and Lawyers Insurance Fund)
 - a. Receive the CEO/CFO confirmation letter on internal controls.
 - b. Ensure that any recommendations made by the external auditors and agreed to by the Committee and management are implemented.
 - c. Oversee the annual report on Enterprise Risk Management.
 - d. Institute any special investigations considered necessary and, if appropriate, hire external experts to assist.
 - e. Review and make recommendations to the CEO and/or the Benchers relating to any possible conflict of interest situations that come to the Committee's attention.
3. External Audit – General Fund and Lawyers Insurance Fund
 - a. Recommend the selection of external auditors, who are then appointed by members at the Annual General Meeting.
 - b. Review directly with the auditors their approach and the audit's scope, the financial and any other audit issue results, approve the audit plan and engagement letter, receive the management representation letter, receive the annual Audit Report and recommend approval of the audited statements to the Benchers.
 - c. Review and approve any major changes in financial reporting as required by changes to the CICA Handbook Rules.
 - d. Review the overall performance of the auditors and approve the audit fee and related costs.
 - e. In conjunction with the external audit, review the annual actuarial reports.
4. Executive Limitations
 - a. Periodically review the executive limitations relating to the financial affairs of the Law Society, including the insurance program, and advise Benchers if any changes are needed.
 - b. Monitor executive performance to ensure that all major limitations dealing with the financial affairs of the Law Society are being met.
5. Investments
 - a. Periodically review the Law Society Statement of Investment Policies and Procedures and recommend to the Benchers any changes as necessary.

- b. Review the quarterly performance of the Lawyers Insurance Fund investment portfolio managers.
- 6. Insurance Subcommittee
 - a. Appoint the members of the Insurance Subcommittee, and receive reports from the subcommittee.
- 7. Benchers assignments
 - a. Act on any issues referred to the Committee by the Benchers.