

## CMA Audit and Finance Committee Terms of Reference

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### Reports to:

Board of Directors of the Canadian Medical Association (CMA or the Association)

### Terms of Reference:

The CMA Audit and Finance Committee (the Committee) shall be responsible for overseeing the overall financial management of the Association, including financial risk management, annual budget overview and the external audit function. The Committee shall be responsible for overseeing the integrity and credibility of the Association's audited financial statements. The Committee shall also be responsible for liaison with the Association's external auditor and overseeing the audit. The Committee is not a decision-making committee but reports to and makes recommendations to the CMA Board of Directors.

### The Committee shall:

1. Review financial information as prepared by management and assess the financial implications of significant Association programs and projects and make recommendations to the Board of Directors.
2. Review issues (e.g., significant unbudgeted financial items, any regulatory audit etc.) as necessary.
3. Review the annual operating and capital budgets and make recommendations to the Board of Directors on the budget.
4. Review and make recommendations to the Board of Directors on membership fees
5. Monitor that the Association operates within the Board approved budget.
6. Monitor the management of financial risks that could affect the finances, operations and fiscal reputation of the Association, including:
  - a. Receive a report from the risk management team on financial risks on at least an annual basis or as may otherwise be deemed to be required by the Committee;
  - b. Receive for information an update from the Board of CMAH 2018 Inc. (CMAH18) with respect to CMA enterprise financial matters on at least an annual basis or as may otherwise be deemed to be required by the Committee; and
  - c. Receiving for information a copy of the CMAH18 audited year-end consolidated Financial Statements.
7. Meet with the Association's external auditor to review the annual audit plan, related fees, process and results of the audit. Assess the performance of the external auditor and ensure there is open communication between the external auditors, management, and the Board.
8. Recommend the appointment of the external auditors for CMAH18 for approval by the CMA Board of Directors, in its capacity as sole shareholder of CMAH18;
9. With respect to the CMA Pension Plan:
  - a. Appoints members of the CMA Pension Plan Sub-Committee, (a Sub-Committee which directly reports to this Audit & Finance Committee); and
  - b. Reviews recommendations from the CMA Pension Plan Sub-Committee to ensure that there are structures and processes in place for effective administration of the CMA Pension Plan (the Pension Plan) and to ensure the fiduciary and other responsibilities of the plan administrator are met.
10. Advise the Board and make recommendations with respect to and the administration of the CMA pension plan.

### Composition:

- Chair of the Audit and Finance Committee appointed by and from within the Board of Directors
- 3 CMA Board Directors
- 1 individual with accounting or financial management expertise who need not be a physician but, if a physician, must be a CMA member in good standing
- 2 members elected by General Council
- Chair of the Board of Directors

### Expectations:

Committee members should be financially literate including an ability to review financial statements and to make knowledgeable recommendations to the Board of Directors.

The Chair is responsible for the effective functioning and reporting of the Committee and is an ex-officio member of the CMA Human Resources and Compensation Committee

### Term:

Chair and Members: Appointed for a term of up to 3-years, renewable once. At the discretion of the Appointments Committee and Board of Directors, director terms may range from 1 to 3 years to allow for staggering of turnover. Directors' terms shall not exceed their term on the Board. The term of the Chair of the committee shall align to their current terms on the Board.

**Quorum:** A majority of members.

**Secretariat:** Executive Vice-President, Corporate Services, CFO & COO

**Meetings:** Quarterly in advance of CMA Board meetings

*[Last updated: June 2020]*