REPORT FOR ACTION

Establishment of Audit Committee

Date: October 25, 2019
To: Toronto Atmospheric Fund Board of Directors
From: Director of Finance and Operations

SUMMARY

This report recommends the establishment of an Audit Committee and associated Terms of Reference. While this function has been undertaken by the Board as a whole, the addition of the $40 million Federal endowment will increase the volume and complexity of TAF's financial reporting, warranting additional oversight.

RECOMMENDATIONS

The Director of Finance recommends that the Board of Directors:

1. Approve the establishment of an Audit Committee with Terms of Reference as outlined in Attachment 1;
2. Appoint three TAF Board members to the Audit Committee.

FINANCIAL IMPACT

None.

COMMENTS

With the addition of $40M from the Federal Government, TAF will have a total asset of approximately $88M. Separate fund accounting will be required for each of the three endowments, and an increased number of investments, grants and programs can be expected. The establishment of an Audit Committee will assist the Board of Directors to oversee and to objectively assess the annual audited financial statements, internal controls, accounting standards, legal, regulatory compliance and independence of the external auditor.

As per TAF By-law Number 1 Section 6.7, *the Board shall elect annually from among their number an Audit Committee to be composed of not fewer than three directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates, to hold office until the next annual meeting of the members.*

Each member of the Audit Committee shall serve during the pleasure of the Board and, in any event, only so long as he or she shall be a director. The directors may fill vacancies in the Audit Committee by election from among their number.

The Audit Committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the Board from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the Audit Committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the Audit Committee may call a meeting of the Audit Committee.

The Audit Committee shall review the financial statements of the Corporation and shall report thereon to the Board prior to approval thereof by the Board and shall have such other powers and duties as may from time to time by resolution be assigned to it by the Board.

CONTACT

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SIGNATURE

Jason Wong
Director of Finance and Operations

ATTACHMENTS

1. Draft Audit Committee Terms of Reference, October 2019.