

Codiac Regional Policing Authority

Policy #: G-1017
Category: Authority Affairs
Subject: Finance, Audit and Risk Committee – Terms of Reference
Date: Insert
Review Cycle: Year 5/5
Review Date: 2025

Framework

Police Act

Under s. 1.1(1) of the *Police Act*, the Minister of Justice and Public Safety shall (a) promote the preservation of peace, the prevention of crime, the efficiency of police services and the development of effective policing, and (b) coordinate the work and efforts of police forces and the RCMP within the Province.

Section 1.1(2) of the *Act* provides that the Minister may provide to boards, councils, police forces, a regional policing authority and the RCMP:

- (i) information and advice respecting the management and operation of police forces and the RCMP in handling special problems, and
- (ii) such other information as the Minister considers to be of assistance.

Finally, Section 1.1 (3) provides that subject to the *Act* and regulations, the Minister may issue guidelines and directives to any police force within the Province for the attainment of the purposes in s. 1.1(1) above.

Governance Guidelines

In 2011, the Department of Public Safety issued the Police Governance and Oversight in New Brunswick Policy Guidelines (“Governance Guidelines”). These Guidelines apply to a regional policing authority, as well as to other models of police governance in use in New Brunswick. The Guidelines say that Boards are “encouraged to establish and maintain standing and ad hoc committees (as required).” They suggest that a Board may wish to consider establishing the following committees:

- Executive Committee
- Policy and Governance Committee
- Finance Committee
- Quality of Policing Committee
- Negotiating Committee

The Guidelines further state that:

“The function of board committees is to assist the Board with its tasks in the exercise of its authority and responsibilities. The Board may establish standing or ad hoc committees to inquire into and report on any matter within the jurisdiction of the board.

The Board will define the committee mandate and appoint the committee membership.

Each committee shall obtain direction from the Board for its activity or mandate and shall report back on its activities on a regular basis. The Board may also delegate tasks and projects to the committees.

On approval of the Board or civic authority, non-serving members of the Board may be appointed to a committee as ad-hoc members where there is a need for special and temporary expertise. An ad hoc member of a committee may not serve as chair of the committee and the majority of members of a committee must be members of the Board.

No committee may bind nor represent the Board. In addition, Board committees may not speak or act for the Board except where formally given such authority.”

Municipal Agreement

Article 6(5) of the 2001 agreement between the three municipalities to establish the Codiac Regional Policing Authority (CRP Authority) provides that the “Authority may adopt by-laws and policies to govern and regulate its activities.”

CRP Authority Procedural By-laws

Section 28 of the CRP Authority Procedural By-law sets out minimum requirements for Board Committees. The following standing committees are mandated: Executive Committee, Finance Committee, Governance Committee and Quality of Policing Committee.

The CRP Authority determines the appropriate number of Committees, their membership, mandate and reporting practices. The role of the Committees is generally to make recommendations to the CRP Authority on matters that are in their jurisdiction.

Policy

This Policy sets out the Terms of Reference for the Finance, Audit and Risk Committee (“Finance Committee”).

(a) Purpose

The purpose of the Finance, Audit and Risk (FAR) Committee is to assist the CRP

Authority in fulfilling its responsibilities in the areas of financial planning, budget preparation and monitoring, auditing and risk management.

(b) Specific Responsibilities

Budget and Financial Planning

1. Review and provide input into the development of CRP Authority financial oversight policies and the fiscal implications of proposed objectives and priorities for the Codiac Regional Police Services (CPRS).
2. Provide input and feedback to contracted personnel during the annual budget development process.
3. Review annually the CRP Authority's budgeting policy and make recommendations to the CRP Authority for revisions as required.
4. Review the annual budget for consistency with the CRP Authority's long-range financial plans and recommend the annual budget to the CRP Authority.
5. Review periodically the CRP Authority's long-range financial plans to ensure stability and consistency with strategic directions for the organization.
6. Review quarterly financial statements and any audited financial statements provided to the CRP Authority.
7. Identify policing cost issues that should be the subject of further analysis.
8. Monitor and periodically report to the CRP Authority on expense claims and costs of operating the CRP Authority itself and make recommendations to the CRP Authority from time to time on changes to same.

Internal Controls Oversight

9. Understand the internal controls framework and systems in place for the Codiac Regional Police Service (CRPS) for both the RCMP and the City of Moncton.

Compliance Oversight

10. Monitor the CRP Authority's compliance with any legal reporting requirements (see Policy G-901 Accountability)
11. Monitor the CRPS' compliance with the Regional Police Services Agreement (RPSA)

External Audit Oversight

12. Provide input into the annual Audit Work Plan for the external auditor.
13. Oversee the independence of the external auditor; the external auditor report directly to the Committee and the CRP Authority.
14. Recommends the appointment and compensation of the external auditor to the CRP Authority.
15. Reviews and pre-approves any non-audit services to be provided by the

external auditor.

16. Review the results of any internal (completed by contracted parties on relevant areas of their operations) or external audits.
17. Meets with the external auditor at least twice per year.
18. Holds in camera meetings with the external auditor.

Risk Oversight

19. Review the CRP Authority's Risk Oversight policies in accordance with the review cycle outlined in CRPA Policy G- 1014 – CRP Authority By-laws and Policies and oversee its implementation.
20. Review regular risk reports from the CRPA's two major contractors – the RCMP and the City of Moncton.
21. Monitor the status of any legal actions involving the CRPS or CRP Authority.
22. At least every three (3) years, the Finance Committee will assess the adequacy of insurance coverage for the CRP Authority and Authority members in relation to that in place for other police governance organizations in Canada.
23. Ensure that relevant categories of risk are assigned to specific CRP Authority committees in their terms of reference so that the CRP Authority's structure provides effective risk oversight.

(c) Membership, Quorum and Voting

1. The Committee will consist of the Treasurer (or Secretary-Treasurer if the role is combined) and three (3) other CRP Authority members approved by the CRP Authority. Normally, the Treasurer will be elected by the Committee to chair the Committee.
2. A majority of the Committee constitutes a quorum for a meeting of the Committee.
3. If the event that any Committee member declares a conflict of interest with regard to any one or more matters under consideration by the Committee, such Committee member will not attend that portion of the meeting dealing with such matter(s) and the foregoing quorum requirement will be reduced by one (1) with regards to any decision or recommendation with respect to such matters.
4. Committee members are expected to make every reasonable attempt to attend and participate in meeting in person; however, where this is not possible due to personal circumstances or inclement weather, the member may participate in the meeting virtually provided that all participants in the meeting can hear each other and participate in the discussion and debate.
5. A matter put to a vote at a meeting of the Committee shall be decided by a majority of the votes cast by Committee members.

(d) Meetings and Organization

1. The Committee shall hold at least four (4) regularly scheduled meetings each

year to complete the items on the Committee's annual macro agenda attached as Appendix A.

2. The Committee may hold additional special meetings at the call of the Committee Chair, or by agreement of the Committee.
3. The Committee Chair will prepare a written agenda for each meeting that will be distributed to Committee members, together with any related materials.
4. Subject to the CPR Authority Procedural By-laws or the CRP Authority Policies, the Chair shall determine the procedure at and conduct of meetings of the Committee.
5. The Committee Chair will consult with relevant contracted personnel on the agenda development, preparation and distribution of meeting materials and maintaining a record of the meetings.
6. The Committee Chair may invite such CRP Authority members and outside parties, and in consultation with the Officer in Charge (OIC), such employees as may be deemed desirable to attend meetings and assist in the discussion and consideration of the business of the Committee.

(e) Minutes and Reporting Responsibilities

1. The Committee Chair will ensure that minutes of the Committee are kept and will review them for accuracy before they are approved by the Committee or shared with the CRP Authority for information. A copy of all minutes will be sent to the Executive Co-ordinator for filing and safekeeping.
2. The Committee Chair will provide a written report to the CRP Authority on the activities, actions and recommendations of the Committee at least seven (7) days in advance of regular CRP Authority meetings.
3. The Committee's report will clearly indicate items for (a) information, (b) ratification or (c) decision/approval of the CRP Authority and will include the suggested resolution(s) to be approved by the CRP Authority.

(f) Confidentiality

All deliberations of the Committee, and all records, material and information pertaining to CRP Authority or CRPS obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access. At no time will any Committee member use or disclose or divulge any confidential personal information for personal gain or for the benefit of others.

(g) Other

The Finance Committee will:

- a) Annually review its Terms of Reference and makes any recommendations for changes to the CRP Authority for approval
- b) Annually assess its performance in carrying out its duties with the objective of continuous improvement

- c) Provide an orientation to new Committee members
- d) May engage outside advisors, including counsel, independent consultants and other experts, as needed, to deal with any matter under its responsibility, subject to budgetary approval by the CRP Authority.

Appendix A - Annual Work Plan – Finance Committee

Meeting	Agenda Items
Early September	<ul style="list-style-type: none"> <input type="checkbox"/> Final review of APP and related budget for the following fiscal year and recommend it to the CRP Authority for approval <input type="checkbox"/> Review of the CRP Authority Risk Oversight policies <input type="checkbox"/> In collaboration with the OIC, plan for the CRP Authority’s annual “deep dive” discussion of risks facing the CRP Authority/CRPS <input type="checkbox"/> Review and confirm compliance and accountability requirements for the CRP Authority (see Policy G- 901. Accountability); confirm this with the CRP Authority <input type="checkbox"/> Review and discuss process for confirming CPRS compliance with the RPSA <input type="checkbox"/> Orient new Finance Committee members <input type="checkbox"/> Review status of CRP Authority member expenses and CRP Authority-specific costs; update the CRP Authority <input type="checkbox"/> Review Q2 financial report and year-end projections <input type="checkbox"/> Review regular risk reports from the CRP Authority’s major contractors <input type="checkbox"/> Review regular KPI reports prepared by CPRS <input type="checkbox"/> Such additional items as the Committee Chair determines
Early November	<ul style="list-style-type: none"> <input type="checkbox"/> Check in on the annual budget approval process with the municipalities <input type="checkbox"/> Confirm that the Chair will send the approved budget to the Minister of Environment and Local Government by November 15 <input type="checkbox"/> Review the proposed external audit work plan with the external auditor

	<ul style="list-style-type: none"> <input type="checkbox"/> Review the CRP Authority annual business planning and budgeting policies and recommend any changes to the CRP Authority <input type="checkbox"/> Discuss the skills and competencies of Committee members in relation to the Committee's mandate and identify any gaps to the CRP Authority <input type="checkbox"/> At least every 3 years, review adequacy of insurance coverage for the CPR Authority and CRP Authority members; review annual confirmation of insurance coverage from City of Moncton <input type="checkbox"/> Review Q3 financial report and year-end projections <input type="checkbox"/> Review regular risk reports from the CRP Authority's major contractors <input type="checkbox"/> Review regular KPI reports prepared by CPRS <input type="checkbox"/> Such additional items as the Committee Chair determines
February/ March	<ul style="list-style-type: none"> <input type="checkbox"/> Review the draft Multi-Year Financial Plan and APP and related budget from the CRPS for the following fiscal year; make recommendations to the CRP Authority <input type="checkbox"/> Plan for engagement of Committee Chair or members in the annual budget review process with the Executive Insight Committee of the funding municipalities <input type="checkbox"/> Review the proposed content of the CRP Authority Annual Report, particularly regarding any financial disclosures <input type="checkbox"/> Review the Committee's Terms of Reference and recommend changes to the CRP Authority <input type="checkbox"/> Evaluate the Committee's performance over the past year using a simple "done well/do better" assessment <input type="checkbox"/> Review year-end financial report and projections <input type="checkbox"/> Review regular risk reports from the CRP Authority's major contractors

	<ul style="list-style-type: none"> <input type="checkbox"/> Review regular KPI reports prepared by CPRS <input type="checkbox"/> Such additional items as the Committee Chair determines
May	<ul style="list-style-type: none"> <input type="checkbox"/> Review the draft Multi-Year Financial Plan and APP and related budget from the CRPS for the following fiscal year; make recommendations to the CRP Authority regarding its approval in principle <input type="checkbox"/> Review the annual audited financial statements and recommendations from the external auditor <input type="checkbox"/> Formulate a recommendation to the CRP Authority regarding (a) the approval of the annual audited financial statements, (b) the appointment of an external auditor for the next year and (c) compensation for the auditor <input type="checkbox"/> Review status of CRP Authority member expenses and CRP Authority-specific costs <input type="checkbox"/> Prepare an annual work plan for the Committee for the coming year <input type="checkbox"/> Review Q1 financial report and year-end projections <input type="checkbox"/> Review regular risk reports from CRPA's major contractors <input type="checkbox"/> Review regular KPI reports prepared by CPRS <input type="checkbox"/> Such additional items as the Committee Chair determines

Additional meetings as required at the Committee Chairperson's discretion