

Finance Committee **Terms of Reference**

Background

The Finance Committee is established to support Council in meeting its financial stewardship responsibilities under the Municipal Government Act of Nova Scotia. The Committee's role aligns with expectations outlined by the Department of Municipal Affairs for municipal financial governance, long-term planning, and risk management.

The Committee provides structured oversight of the Town's financial affairs consistent with the Financial Reporting and Accounting Manual. Through its mandate, the Committee enhances Council's ability to make informed decisions, manage risk, and ensure responsible and transparent fiscal management.

Committee Mandate

The primary purpose of the Finance Committee is to provide advice to the Council on matters relating to the financial affairs of the Town, including general Town operations and utilities. The Finance Committee will also assist the Council in meeting its responsibilities by ensuring the adequacy and effectiveness of financial risk management.

The Finance Committee shall meet at least quarterly to:

- a. Review the quarterly financial statements and variance report within five (5) weeks of the quarter end
- b. Carry out the responsibilities of the finance committee as outlined including:
 - a. Review the draft annual budgets prior to consideration by Council.
 - b. Review the annual debt schedule, projected reserve balances, and investment potentials, proposed for the upcoming year by the Manager of Finance.
 - c. Review, as required, any other policies, procedures, forecasts, reports, or processes as directed by Council.
 - d. Review with finance management the quarterly financial forecast and KPIs (key performance indicators) to be presented to the Council.
 - e. Undertake other actions determined by the Council to be the duties of the Finance Committee.

The Finance Committee shall, if requested by Council, review and make recommendations on financial proposals coming to the Council outside of the annual budget or tender process.

Committee Membership

The membership of the Finance committee shall include:

- The Mayor and two additional members of Council;
- The Manager of Finance (non-voting);
- The Chief Administrative Officer (non-voting);
- Up to two members of the public, one of whom will also be a member of the Audit Committee.

In selection of public members, preference will be given to applicants with a demonstrated knowledge of and experience with financial reporting and audit committees.