



## THE BUILDING INVESTMENT, FINANCE AND AUDIT COMMITTEE CHARTER

### **Mandate**

The Building Investment, Finance and Audit Committee (the "BIFAC" or "Committee") is established as a committee of the Board of Directors ("Board") of Toronto Community Housing Corporation ("TCHC") to assist the Board in fulfilling its responsibilities in respect of:

- Capital Funds and investments (with an Advisory Committee, if needed);
- Capital projects, real property and building revitalization;
- Building state of repair and environmental sustainability;
- Budget, Financial Reporting and Financial Statements;
- Subsidiaries and joint ventures;
- Internal Audit, Accounting Systems and Internal Controls;
- External Audits;
- Financial Compliance;
- Financial and Fraud Risk;
- Information Technology;
- Enterprise Risk Management;
- Insurance; and
- Delegated Financial authority: \$5 million.

### **Advisory Subcommittees:**

- The Investment Advisory Committee shall continue as a subcommittee of the BIFAC.

### **Responsibilities**

The Committee fulfills its purpose by carrying out the following responsibilities:

- A. Capital Funds and Investments
  - Overseeing the design, implementation, and reporting of investment policies, strategies and initiatives by Management for capital

reserves and reporting and making recommendations to the Board on such matters.

B. Capital Projects, Real Property and Building Revitalization

- Reviewing and recommending to the Board for its approval, capital projects and their respective capital budgets, real estate transactions, monitoring the execution of such matters by Management, and reporting to the Board on such matters;
- Overseeing policies, strategies and initiatives by Management related to real property, including initiatives to achieve a good state of repair throughout the portfolio, and reporting and making recommendations to the Board on such matters;
- Overseeing policies, strategies, and initiatives by Management on the management of physical assets and reporting and making recommendations to the Board on such matters; and
- Monitoring Management's execution of development plans (including community revitalizations) and reporting and making recommendations to the Board on such matters.

C. Building State of Repair and Environmental Sustainability

- Overseeing the disposition of assets in connection with the State of Good Repair Fund and/or any other capital reserve funds; and
- Overseeing policies, strategies and initiatives by Management on green plans, energy and environmental plans and reporting and making recommendations to the Board on such matters.

D. Budget, Financial Reporting and Financial Statements

- Reviewing with Management, and as necessary with the external auditor, and recommending to the Board for approval, the annual operating and capital plan and associated budgets of the organization, the annual audited consolidated financial statements of the Corporation, quarterly financial reports to include balance sheet, income statement, statement of cash flows, and management notes on variances between actual to budget levels, and prior years; as well as provide financial forecasts and other financial reporting as determined by the Board;
- Reviewing with Management, and as necessary with the external auditor, the Corporation's key accounting, tax, and financial reporting policies and practices and reporting and making recommendations to the Board on such matters;
- Reviewing with Management, and as necessary with the external auditor, significant accounting or disclosure issues, including

complex or unusual transactions, and significant changes to accounting principles and reporting and making recommendations to the Board on such matters; and

- Overseeing with Management the financial reporting of all elements in connection with the State of Good Repair Fund and/or any other capital reserve funds.

E. Subsidiary and Joint Ventures

- Recommending to the Board for approval the creation or disposition of any subsidiary or joint venture;
- Receiving and reviewing with Management the annual operating plan and budget of all subsidiaries and joint ventures, and reporting and making recommendations to the Board on such matters; and
- Receiving and reviewing with Management the annual financial statements of all subsidiaries and joint ventures, and reporting and making recommendations to the Board on such matters.

F. Internal Audit, Accounting Systems and Internal Controls

- Reviewing and approving the Internal Audit work plans and reports and advising the Board, as appropriate, on the adequacy, accuracy, timeliness and reliability of financial reports and on the efficacy of internal accounting, auditing, and management control systems and procedures.

G. External Audits

- Annually reviewing and evaluating the external auditor, including the independence and the terms of engagement and remuneration, and making recommendations to the Board for presentation to the Shareholder;
- Reviewing and approving the annual audit plan of the external auditors;
- Reviewing with the external auditor any significant changes in financial reporting and accounting practices and reporting and making recommendations to the Board on such matters;
- Reviewing with the external auditor the findings of the annual audit of the organization's financial statements and recommending to the Board the approval of the annual audit report;
- Reviewing with Management any management responses to the annual audit report and reporting to the Board on such matters; and
- Reviewing with the Auditor General any findings of its audits of the Corporation, monitoring management responses to

recommendations by the Auditor General, and reporting and making recommendations to the Board on such matters.

H. Financial Compliance

- Monitoring Management's compliance with laws and regulations, including but not limited to the reporting requirements of the Shareholder Direction and Canadian GAAP and, where there is non-compliance, reporting to the Board with recommendations for rectifying.

I. Financial and Fraud Risk

- Reviewing with Management, the internal auditor, and the external auditors their assessment and monitoring of financial risks including but not limited to liquidity risk, financing and refinancing risk, and litigation costs risk, reviewing and assessing steps to respond to such risks, and reporting and making recommending to the Board on such matters;
- Monitoring and reporting, as necessary, to the Board on issues of fraud, including employee and tenant fraud; and
- Monitoring and reporting, as necessary, to the Board any referrals of financial whistleblower issues with recommendations for addressing the issues.

J. Information Technology

- Annually reviewing with Management the information technology and management strategies of the Corporation and reporting and recommending to the Board for approval significant investments in technology.

K. Enterprise Risk Management

- Review with Management its assessment of identified risks that the corporation faces and has established a risk management infrastructure to address those risks.

L. Insurance

- Annually reviewing with Management the Insurance program of the Corporation and recommending to the Board for approval the annual insurance policy renewal.

## **Authority**

The Committee has full delegated authority from the Board in respect of the matters that fall within its Charter.

The Committee may establish ad-hoc or advisory committees to provide input on specific issues identified by the Committee.

The Committee will have full, free and unrestricted access to Management and its employees, the external auditor, and internal auditors.

The Committee may retain the services of external advisors at the expense of the Corporation as may be deemed necessary to ensure its due diligence and in accordance with TCHC's procurement policy and procedures.

Within the scope of the Committee, the Committee may award contracts up to \$5,000,000.

## **Composition**

- Appointment of the Committee Chair and members shall be by the Board upon recommendation by the Board Chair.
- Appointment of the Committee Vice-Chair shall be by the Board upon recommendation by the Committee.
- The Chair of the Board shall be a voting *ex officio* member of the Committee.
- The President and Chief Executive Officer will appoint an Executive staff liaison to support the Chair.
- The President and Chief Executive Officer will appoint a staff person as Corporate Secretary for the Committee.
- The Committee shall be composed of a minimum of four Directors.

## **Terms of Membership**

- Two-year term. The term is renewable for an additional two-year term.

## **Quorum**

- Quorum shall be the minimum of fifty percent of the Directors of BIFAC.
- Where a quorum is present, decisions shall be taken by motion, with passage by simple majority (fifty percent plus one) of the total Committee members present at a meeting of the Committee, in person or by teleconference call.

- Written resolution in lieu of meeting signed by all members of the Committee is permitted.

## Meetings

- The Committee will meet as frequently as it determines necessary but not less than once each quarter. Meetings may be called by the Chair of the Board or the Chair of the Committee. The Chair of the Committee must call a meeting when requested to do so by any member of the Committee, the Chairman of the Board, the President and Chief Executive Officer, or the General Counsel and Corporate Secretary.
- Time-limited sub-committees or advisory committees may be formed to address specific issues and perform clear tasks.
- The procedure at meetings shall be determined by the Committee Chair adhering to the by-laws of the Corporation or any resolution of the Board.
- Meetings will be held in public other than matters to be dealt with in closed session, such as:
  - a. the security of the property of the Corporation;
  - b. personal matters about an identifiable individual, including an employee;
  - c. a proposed or pending acquisition or disposition of land by the Corporation;
  - d. labour relations or employee negotiations;
  - e. litigation or potential litigation, including matters before administrative tribunals, affecting the Corporation;
  - f. advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
  - g. any other matter City Council would be permitted to discuss at a meeting or part of a meeting that is closed to the public under *City of Toronto Act, 2006* or any other Act; or
  - h. a request under the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA).

## Review

- The Committee shall review its Charter on an annual basis and recommend any changes to such terms to the Governance, Communications and Human Resources Committee.

## Reporting

- The Committee will report the proceedings of each meeting and all recommendations made by the Committee at such meeting to the Board at the Board's next meeting. The Committee will make such recommendations to the Board as it may deem appropriate.

Approved: December 16, 2014  
Amended: April 27, 2016  
Amended: December 11, 2017  
Amended: June 12, 2018  
Amended: February 27, 2019  
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