



Annual Review of Building Investment, Finance and Audit Committee (“BIFAC”), Investment Advisory Committee (“IAC”), and Procurement Award Committee (“PAC”) Charters (**Revised**)

Item 6

May 26, 2025

Building Investment, Finance and Audit Committee

Report: BIFAC:2025-32R

To: Building Investment, Finance and Audit Committee (“BIFAC”)

From: General Counsel and Corporate Secretary

Date: April 29, 2025

PURPOSE:

This report seeks the approval of the Building Investment Finance and Audit Committee (“BIFAC”), the Governance, Communications and Human Resources Committee, and the Board of Directors of the BIFAC, Investment Advisory Committee, and Procurement Award Committee Charters.

RECOMMENDATIONS:

It is recommended that the Building Investment Finance and Audit Committee (“BIFAC”) approve and recommend that the Governance, Communications and Human Resources Committee:

1. Approve the BIFAC Charter included as Attachment 1 to this report;
2. Approve the Investment Advisory Committee (“IAC”) Charter included as Attachment 2 to this report, subject to any changes recommended by the IAC at its meeting of May 21st 2025;
3. Approve the Procurement Award Committee (“PAC”) Charter included as Attachment 3 to this report;
4. Recommend that the Board of Directors approve the BIFAC, IAC and PAC Charters included as attachments 1 to 3 of this report;

5. Recommend that the Board of Directors approve an amendment to the Investment Policy Statement reflecting the changes to the Investment Advisory Committee Charter recommended in this report; and
6. Authorize the General Counsel and Corporate Secretary, or their designate, to implement the foregoing recommendations and to give effect to the above recommendations.

REASONS FOR RECOMMENDATIONS:

Under their Charters, BIFAC, IAC and PAC are tasked with reviewing their respective Charters on an annual basis.

At its meeting of May 8, 2025, the PAC approved its Charter and forwarded it to the BIFAC for its approval. It is recommended that the Charter reflects the change in title of the Chief Corporate Services Officer.

The IAC Charter will be considered by the IAC at its meeting of May 21, 2025. It is recommended that the Charter reflect the role of the IAC, as outlined in the Updated Investment Policy Statement (Section II), approved by the Board of Directors at its meeting of April 28th, 2025 ([Report TCHC:C2025-11 – Updated Investment Policy Statement](#)). In the event that the IAC recommends additional changes to the Charter following the submission of this report to the BIFAC, those changes will be reflected in an amended motion brought forward at the BIFAC meeting of May 26th, 2025.

Recognizing that evolving procurement and environmental, social and governance (“ESG”) factors carry material financial risks, the BIFAC Charter has been amended to reflect its oversight of these matters. It has also been amended to reflect its oversight and regular briefings of the Enterprise Risk Management Framework.

IMPLICATIONS AND RISKS:

It is good governance practice and in compliance with the BIFAC, IAC and PAC Charters to review and recommend changes, if any, to the Charters annually.

SIGNATURE:

"Darragh Meagher"

Darragh Meagher
General Counsel and Corporate Secretary

ATTACHMENTS:

1. Building Investment, Finance and Audit Committee Charter
2. Investment Advisory Committee Charter
3. Procurement Award Committee Charter

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THE BUILDING INVESTMENT, FINANCE AND AUDIT COMMITTEE CHARTER

Mandate

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

- Capital Funds and investments (with an Advisory Committee, if needed);
- Capital projects, real property and building revitalization;
- Building state of repair and environmental, social and governance (“ESG”) 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: \$10 million.

Advisory Subcommittees:

The Investment Advisory Committee is established as an advisory committee to the Building Investment, Finance and Audit Committee and shall continue as a subcommittee of the BIFAC.

Responsibilities

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

Capital Funds and Investments

- Overseeing the design, implementation, and reporting of investment policies, strategies and initiatives by Management for capital reserves, and other financial assets and reporting and making recommendations to the Board on such matters.

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.

Building State of Repair and Environmental ESG 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 broader ESG considerations with financial implications and reporting and making recommendations to the Board on such matters.

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.
- Overseeing policies, strategies, and initiatives by Management on procurement activities and reporting and making recommendations to the Board on such matters.

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.

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.

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.

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.

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.

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.

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.
- Overseeing policies, strategies, and initiatives by Management on an enterprise-wide risk management framework ("ERM Framework")

including but not limited to a risk program, a risk profile, an assessment of risk tolerance, and risk measurement and management strategies, to identify, manage and report on existing and potential risks and making recommendations to the Board on such matters.

- Review regular briefings or progress reports on the implementation of the ERM Framework and making recommendations to the Board on such matters.

Insurance

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

Authority

With respect to BIFAC's authority, the BIFAC:

- Has full delegated authority from the Board in respect of the matters that fall within its Charter;
- May establish ad-hoc or advisory committees to provide input on specific issues identified by the Committee;
- Will have full, free and unrestricted access to Management and its employees, the external auditor, and internal auditors.
- 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 BIFAC, it may award contracts up to \$10,000,000.

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 a majority 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 BIFAC 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 BIFAC is permitted.

Meetings

- The BIFAC 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 BIFAC. The Chair of the BIFAC must call a meeting when requested to do so by any member of the BIFAC, 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 BIFAC 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, adhering to the by-laws of the Corporation.

Review

- The BIFAC 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 BIFAC 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 BIFAC 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
Amended & Approved: July 30, 2020
Amended: June 15, 2021
Reviewed: June 28, 2022
Amended: December 6, 2023
Reviewed: June 25, 2024
Amended: December 12, 2024



THE INVESTMENT ADVISORY COMMITTEE CHARTER

Mandate

The Investment Advisory Committee (“IAC”) is established as an advisory subcommittee to the Building Investment, Finance and Audit Committee (“BIFAC”). The purpose of the Committee is to assist the BIFAC in fulfilling its responsibilities in respect of capital funds, investments, and other finance related matters.

Responsibilities

The IAC shall:

- Provide strategic advice with respect to the investment policy and strategy for capital reserves, including the investment of funds allocated for the purposes of the State of Good Repair Fund and/or other capital reserve funds;
- Monitor investment performance and report on implementation of the investment policy;
- Periodically review performance reports generated by the fund manager(s) and report regularly to the BIFAC with respect to the performance of all invested funds.
- Conduct periodic asset allocation/manager structure review;
- Generate recommendations for engagement/termination of external advisors;
- Formulate changes, updates, and revisions to TCHC’s Investment Policy as needed, and recommend approval by the BIFAC and the Board of Directors (the “Board”);
- Review and recommend Investment Mandates and agreements with external advisors to the BIFAC and the Board; and
- Review and recommend:
 - the Outsourced Chief Investment Officer’s Investment Mandate;
 - the proposed form of agreement governing its appointment; and
 - any variation from the approved Mandate, as required by the Investment Policy Statement;to the BIFAC and the Board; and
- Oversee the rebalancing process.

Composition

- The IAC shall be composed of a minimum of 4 members: a Board member sitting on the Building Investment, Finance and Audit Committee, the President and Chief Executive Officer, and a minimum of 2 external advisors with expertise in investment management and finance.
- The Chair of the IAC shall be the Building Investment, Finance and Audit Committee representative with expertise in investment management strategies and management of investment portfolios.
- The President and Chief Executive Officer will appoint a staff person to act as Corporate Secretary for the Committee.

Quorum

- Quorum shall be a majority of the IAC members.
- Where a quorum is present, decisions shall be taken by motion, with passage by simple majority (50% plus one) of the total IAC members present at a meeting, in person or by teleconference call. Decisions may also be by resolution in writing signed by all members of the IAC.

Meetings

- The IAC will meet bi-annually, or more frequently at the call of the Committee Chair.
- Meetings will be held at a time and place as determined by the IAC.
- The procedure at meetings shall be determined by the by-laws of the Corporation or by resolution of the Board.

Review

- The IAC shall review its term of reference on an annual basis and recommend any changes to such terms to the Building Investment, Finance and Audit Committee.

Approved: April 29, 2013

Amended: February 4, 2015 - Replaced Terms of Reference with Charter and Building and Investment Committee with Building Investment, Finance and Audit Committee.

Amended: September 28, 2017

Amended: February 27, 2019

Amended: September 2020 (presented on December 15 2020 Board Meeting)

Amended: June 15, 2021

Reviewed: December 8, 2022

Reviewed: June 25, 2024

Amended: December 12, 2024



THE PROCUREMENT AWARD COMMITTEE CHARTER

Mandate

The Procurement Award Committee (“PAC”) is established as a management committee of Toronto Community Housing Corporation (“TCHC”) to assist the Board of Directors (the “Board”) in fulfilling its responsibilities in respect of contract award approvals within the scope of its approval authority, as described in this Charter.

Responsibilities

The PAC fulfills its mandate by reviewing and approving contract awards within the scope of its approval authority, as described in this Charter, and by making recommendations to the Building Investment, Finance and Audit Committee (“BIFAC”) and/or the Board for the approval of contract awards beyond the scope of that authority.

Prerequisites for PAC Authority

Competitive Procurement

The PAC has authority to approve contracts if all of the following conditions are met:

1. The Senior Director of Procurement has recommended the award as being conducted in a fair and transparent manner and in compliance with the terms of a competitive procurement call, and applicable procurement policies, procedures, and protocols;
2. The award is to the supplier(s) whose response meets the specifications and qualification requirements set out in the solicitation and whose response represents the best value to TCHC based on the evaluation criteria set out in the solicitation, including price criteria;
3. The term of the contract does not exceed a maximum term of five (5) years, or the projected term of capital funding for a project as approved by the TCHC Board of Directors;
4. The award and resulting commitment is less than or equal to:
 - (a) \$5 million (exclusive of taxes) with the exception of consultant contracts not directly related to capital repair and/or development projects; or
 - (b) \$2.5 million (exclusive of taxes) in relation to consultant contracts not directly related to capital repair and/or development projects.

5. The PAC has not received a material written objection to the merits of the award, prior to the decision to award by the PAC.
6. All members of the PAC, present at the meeting when the matter is considered, vote in favour of the award.

Change Orders

The PAC has authority to award change orders to previously approved contracts, with the exception of consultant contracts not directly related to capital repair and/or development projects, if all of the following conditions are met:

1. The original contract was awarded through a competitive procurement call, and applicable procurement policies, procedures, and protocols.
2. When the original contact was approved by either the President and Chief Executive Officer, pursuant to their delegated authority or by the PAC:
 - (a) the cumulative value of the change order(s), original contract and resulting commitments is less than or equal to \$5 million (exclusive of taxes); and
 - (b) the cumulative value of the change order(s) (exclusive of taxes) is less than or equal to the greater of \$1 million or twenty (20%) percent of the original contract value.
3. When the original contact was approved by the BIFAC or the Board of Directors, the cumulative value of the change order(s) does not exceed the lesser of twenty (20%) percent of the original contract value or \$5 million (exclusive of taxes).
4. The funding for the change order and subsequent commitment is within existing budget approvals from the Board of Directors.
5. All members of the PAC, present at the meeting when the matter is considered, vote in favour of the change order.

Authority

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

The PAC is accountable to the Board and shall not be entitled to sub-delegate all or any of the powers and authority delegated to it, unless authorized under TCHC's Financial Control Bylaw No. 3.

Composition

- President and Chief Executive Officer;
- General Counsel and Corporate Secretary;
- Chief Corporate Services Officer;
- Chief Financial Officer and Treasurer;
- Chief Operating Officer;
- Chief Development Officer;
- Vice President of Facilities Management; and
- Senior Director, Strategic Procurement.

Quorum

- Quorum shall be a minimum of four members.
- Where a quorum is present, decisions shall be taken by motion, with passage by unanimous vote.
- Written resolution in lieu of meeting signed by all members of the PAC is permitted.

Meetings

- The PAC will meet as frequently as it determines necessary, generally through monthly meetings.
- The procedure at meetings shall adhere to the by-laws of the Corporation or any resolution of the Board.

Review

- The PAC 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 PAC will report the proceedings of each meeting, all contracts and change orders awarded, and all recommendations made by the PAC to the BIFAC at the BIFAC's next meeting. The PAC will make such recommendations to the BIFAC as it may deem appropriate.

Approved: June 27, 2019

Amended: July 30, 2020

Amended: June 15, 2021

Reviewed: June 28, 2022

Amended: December 6, 2023

Reviewed: June 25, 2024