

Concern Worldwide

Finance Committee Terms of Reference

Membership

The number of Board members elected to the Finance Committee is at least three 3, and at least 1 member (preferably the Chairperson) should have relevant financial experience. The elected members of the Committee will select a Chairperson from amongst their number. They may also co-opt a maximum of 5 additional individuals with special expertise to join the Committee. Such co-optees need not be members of the Board or of Concern.

If a Board member stands down from the Finance Committee they may only be replaced by another Board member. If a co-opted member stands down from the Finance Committee they may be replaced either by a Board member or a co-opted individual.

Meetings

Meetings shall generally be held before each Board meeting though special meetings may be held to consider particular issues. The quorum for meetings is 3 members of the Committee, at least 1 of the members forming the quorum must be a Board member.

The Finance Director is a fixed attendee. Other members of Concern management and staff may attend as deemed appropriate by the Chairperson.

Role

The function of the Committee is to oversee the financial management of the organisation.

Tasks

In carrying out its function the Committee fills a number of essential tasks:

1. Review of financial planning

The Committee will critically review and form an opinion on:

- The Annual Plan and Budget.
- Budget Revisions.
- Strategic Plans.

2. Review of financial performance

The Committee will receive and examine quarterly management accounts for the organisation and any such additional information and schedules that they deem necessary in order to understand and monitor financial performance.

3. Review of financial policies

The Committee will seek to ensure that policies are in accordance with best practice. In this regard it will:

- Review and input to draft organisational financial policies.
- Sign-off on new policies and recommend their adoption by Board.

4. Review of banking arrangements

The Committee will periodically review the banking arrangements of the organisation. It will authorise any new banking arrangements in RoI and the UK.

5. Review of external audit function

This work is carried out in conjunction with the Audit and Risk Committee. The broad split of tasks in this regard will be as follows:

- a) The two Committees will meet jointly with the auditors and management in order to:
 - Agree with the external auditor the nature and scope of the external audit.
 - Review statutory accounts and audit reporting, focussing on significant adjustments arising from the audit.
 - Review problems and issues arising from the statutory audit.
 - Review the auditor's management letter and company response.

- b) The Finance Committee will have responsibility for:
 - Reviewing changes in accounting policies and practices.
 - Reviewing major judgmental areas in the statutory accounts.
 - Reviewing the going concern assumption, the compliance with accounting standards, and compliance with legal obligations.

- c) The Audit and Risk Committee will have responsibility for:
 - Reviewing Concern's statement on internal controls in the statutory accounts, prior to Officers approval of these accounts.
 - Monitoring and reviewing the independence, objectivity and effectiveness of the external auditors.
 - Recommending to Officers any change in external audit provider and approving the remuneration and engagement of the external auditor.
 - Developing and recommending policy on the supply of non-audit services by the external auditor, taking account of ethical guidelines in this regard.

6. Review of significant financial issues and transactions

- Management will inform and seek the advice of the Committee in relation to any significant financial transactions that are not part of the regular/ongoing activities of the organisation.
- The Committee will also review major investment decision and report to Officers and the Board with their recommendations.
- The Committee may elect to examine any issue regarded by it as critical to the financial management of the organisation, and may seek information in this regard from any employee.
- The Committee will consider any other topics within its area of competence that may be requested by the Board or Officers.

7. Risk

The Committee will work with the Audit and Risk Committee in order to identify any significant items arising from the annual risk review that fall within its area of competence. For 2012/13 the financial risks posed by the uncertain economic environment have been identified as falling within the remit of the Committee:

The Committee will ensure that it engages with management in order to discuss and evaluate the effectiveness of strategies in place to mitigate this risk. It will reflect its conclusions in its periodic reports to the Board and Officers.

8. Fundraising

The Committee will have responsibility for over-sight of the effectiveness of the fundraising function. Essentially this will require it to:

- Review fundraising plans and projections in order to ensure that they are targeting an appropriate rate of return.
- Ensure that there is an appropriate amount of diversity in our income sources.

- Monitor ongoing actual performance in order to ensure that agreed targets are being achieved.
- Review any other significant issues that may arise in relation to fundraising.

9. Oversight of the Strategic Plan

The Committee will have responsibility for overseeing the implementation of the Strategic Goal 6 Objective 13 concerning optimising and diversifying funding. The Committee will:

- Obtain and evaluate management's plans for delivery of the objective.
- Review actual performance in executing the plans on a periodic basis.

The Committee will reflect its conclusions re the effectiveness of implementation in its reports to the Board and Officers.

10. Oversight of Organisational Policies

The Committee will have responsibility for overseeing the implementation of the organisational financial policies. The Committee will periodically evaluate whether:

- Management has complied with the policies as stated and what challenges have been encountered in doing so.
- The policies themselves remain relevant and fit-for-purpose and where there are short-comings oversee a review process.

The Committee may also request that management review any existing policies - or develop any new ones - that it feels to be necessary for the effective financial management of the organisation.

11. Evaluate Committee's own performance

At the end of each Board year i.e. in May/June, the Committee will undertake an exercise to reflect on how well it has fulfilled its mandate and to consider whether different approaches/information/practices may be required in order to meet its overall objective.

External/Specialist Advice

The Committee may seek any legal or other independent advice, with prior permission from the Chairperson of Concern, or in his/her absence, from the Company Secretary, which it considers necessary to discharge its obligations. If it is felt that such advice is required it will be sourced in conjunction with the Company Secretary function within Concern.

Reporting

The Chairperson of the Finance Committee reports to Officers and the Board on its work and they will jointly report at least annually to Officers and the Board on the outcome of the statutory audit. As part of the statutory audit review process the Finance and Audit & Risk Committees will have a joint meeting with the external auditors.

The Finance Committee will provide each Board meeting with a written report of the work which they have carried out since the last meeting. This report must be submitted to the Chief Executive's office no later than 10 days (where possible) before a Board meeting in order to facilitate the timely distribution of Board papers.

The Chairperson of the Finance Committee is responsible for ensuring that accurate minutes are maintained of each meeting and that a signed copy of the most recently adopted minutes are held by the Chief Executive's office.