

## Finance Committee

### Terms of Reference

#### MAIN PURPOSE

To advise and support the Treasurer (Chairperson of the Finance Committee) in ensuring that the use of Foróige's resources are effectively and efficiently planned and controlled and that Board members have the financial information they need to make good decisions.

#### MEMBERSHIP OF THE SUBCOMMITTEE

The sub-committee will have a minimum of three members appointed by the Board. The Chairperson of the Finance Committee shall be the Treasurer. Other members of the Finance Committee shall be drawn from Board Members and the membership of the company.

#### STAFF IN ATTENDANCE

The Head of Finance will normally be in attendance at Finance Committee meetings. Other staff may be asked to attend for specific items on the agenda. The Chief Executive has the right to attend all Finance Committee meetings.

The Finance Committee may also choose to ask any staff person to leave the meeting for particular items on the agenda.

The committee shall meet quarterly throughout the year, or more frequently if the business requiring its attention should so dictate.

### Specific Responsibilities

#### *Financial Planning*

1. Ensure there is an effective financial planning / budgeting system.
2. Ensure effective monitoring against budget.

#### *Financial Control*

3. Ensure Foróige is fully compliant with relevant accounting legislation and standards and related guidance.
4. Ensure adequate financial controls are in place and that Foróige operates within a sound financial framework.
5. Develop and review policies relating to the financial management of Foróige and oversee their implantation.
6. Review financial policy issues in the context of legislative and regulatory requirements.
7. Ensure appropriate corrective action is taken in relation to significant negative variances against budget.
  - To review and challenge where necessary , the actions and judgements of management in relation to the annual financial statements, paying particular attention to:-
    - Critical accounting policies and practices and any changes to them,
    - Decisions requiring a major element of judgement,
    - The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
    - Significant adjustments resulting from the audit.
    - The going concern assumption.
    - Compliance with legal requirements,
  - To review the Annual Report and financial statements and to provide advice on whether the report is fair, balanced and understandable and provides the information necessary to assess the organisation's performance and strategy.
8. Ensure Foróige has effective systems for holding in trust for the beneficiaries of Foróige any monies or property, to ensure that monies are invested for the greatest benefit of Foróige within legal / ethical / policies.

#### *Advice*

9. Advise the Treasurer on financial implications of the Board's strategy and policy objectives.

#### *Financial Reporting*

10. Advise the Treasurer in ensuring that financial information is comprehensive and accurate.

#### *Financial Risk*

11. Ensure that financial risks facing the Foróige are regularly assessed and appropriate action identified.

#### *External Audit*

12. Ensure there is an appropriate annual external audit of Foróige's accounts to be presented to the AGM.
13. To advise the Board with regard to the appointment/retention of the External Auditor. To oversee any selection process of the External Auditor appointment.
14. To review the audit fee and audit engagement letter.
15. To review the nature and scope of the annual audit process.
16. Advise the Treasurer on actions to be taken in light of the management Letter from the External Auditors.

#### *Minutes*

17. Ensure appropriate minutes of all Finance Committee meetings are kept and circulated with Board papers for information.

#### *Reporting*

18. Prepare a report for the Board to be presented at the next Board meeting following the Finance Committee meeting
19. Highlight to the Chairperson of the Board any items discussed by the Finance Committee which need to be addressed by the Board.

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