



## TERMS OF REFERENCE FOR ICAR BOARD SUB-COMMITTEE FOR ; FINANCE

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### 1. Background

The purpose of this paper is to outline the terms of reference for the ICAR Board's Sub Committee for Finance

This proposal follows on from the discussion in the ICAR Board which took place on 10<sup>th</sup> February 2017 in Rome, Italy.

This report is for consideration by the ICAR Board at its March 28<sup>th</sup> 2017 and April 25<sup>th</sup> meetings.

The following sections cover the key elements of the recommended new Terms of Reference for the ICAR Board's Sub Committee for Finance.



## 2. Objectives of the Sub Committee for Finance

The objectives of the Sub Committee for Finance are below.

### **Financial Goals;**

- a. Review the annual budget as prepared by the CE for presentation and approval by the ICAR Board.
- b. Monitor adherence to the budget quarterly throughout the year.
- c. Along with CE review long-range financial goals along with funding strategies to achieve them. (For example, the creation of a working capital or cash reserve fund for the purpose of either improving existing services or developing new services to ICAR's members).
- d. Make recommendations and or policies for presentation and adoption by the ICAR Board with respect to setting financial goals and proposals.

### **Reporting:**

- e. Ensure CE and staff adhere to agreed report formats.
- f. Ensure CE and staff adhere to reporting, frequency and deadlines.
- g. Present the financial reports to the full board.

### **Internal Controls and Accountability**

- h. Ensure policies and procedures for ICAR's financial transactions are documented in Standard Operating Procedures (SOPs) and are maintained and updated as necessary.
- i. Ensure approved CE and staff adhere to financial policies and procedures are being followed.

### **Audits;**

- j. CE will ensure ICAR's Financial Inspectors have access to annual accounts.
- k. If and when required by the Sub Committee the CE will submit a proposal to this FSC and the ICAR Board to justify recruitment and selection of an External Auditor if it is deemed necessary.
- l. Review the Draft audit Report as presented by the auditor(s).
- m. Present the audit reports to the full board of directors (if the auditor does not do this).
- n. Review the management recommendation letter from the auditor and ensure CE and staff follow up on any issues mentioned.



### Investment:

- o. Draft an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorisations for executing transactions, disposition of earned income, etc.
- p. Review the policy at least annually and update if necessary.
- q. Hire and evaluate the investment managers/advisors.
- r. Define a 'Reserve' policy.

### Risk:

- s. Finance Sub Committee, with the CE, will develop an ICAR **Financial Risk Register**.
- t. The Sub Committee will ensure that it engages with CE and staff 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

## 3. Governance & Reporting

### 3.1 Committee Composition

The ICAR Boards' Sub Committee for Finance will be governed by the ICAR Board.

The Sub Committee will be chaired by a suitable person as appointed by the President of ICAR.

Members will be comprised by Board members who cover some or all, depending on the level of interest and participation in ICAR activities, of the following interests:

- a. **Proven history of Financial and Operational Responsibility.**
- b. **ICAR's Financial Inspector(s)**

The President will review annually the make-up of the Finance Sub Committee and any changes as required, shall be recommended to the Board.

The Sub Committee, may from time to time, co-opt specialist and expert advice as required based on issue(s) at hand.

The Sub Committee shall meet at least quarterly.

The CE will act as Secretary to the Finance Sub Committee. Minutes will be circulated to all ICAR Board members.



Quorum for meeting will be 50% of the membership plus one.

Each member of the Sub Committee shall have one vote with the Chair having a second or casting vote as required.

Table 1. Members of ICAR Boards' Sub Committee for Finance (August 2017)

| <u>Role</u>        | <u>Name</u>           |
|--------------------|-----------------------|
| Chair              | Neil Petreny          |
| Member             | Niels Henning Nilesen |
| Member             | Laurent Journaux      |
| Member (Inspector) | Josef Kucera          |
| Secretary (CE)     | Martin Burke          |

### 3.2 CE, Secretariat & Reporting

Role of CE and Secretariat:

- a. **Business Meetings** – CE to agree dates and venues in consultation with Chairperson, provide notice of meetings to members, agree agenda with Chairperson, distribute agenda, take minutes, agree minutes with Chairperson, and distribute minutes.
- b. **Group Composition** – Secretariat maintain list of Group members with up-to-date contact details, in consultation with Chairperson and ICAR Board.

### 3.3 Communications with the ICAR Board

Based on activity provide an Annual Report (at least) to the ICAR Board.

## 4. Priorities

Priorities are to be established by the Sub Committee taking account of its terms of reference and any requests from the ICAR Board.

That the priorities for Sub Committee for Finance in the next 2 years to include the following:

- a. Financial Reporting/ Budgets - monitoring
- b. Develop Financial Risk Register for ICAR.
- c. Develop and Investment strategy. Others...?