

Jigsaw

Terms of Reference for the Finance subcommittee

Objective:

The principal objective of the Finance subcommittee is to provide strategic advice and exercise oversight of the finance and fundraising function of the organisation. The subcommittee will work to ensure that the organisation's financial performance is aligned with the overall mission, vision, and objectives of the organisation.

Responsibilities:

- Review the annual budget and budget revisions and make recommendations to the Board.
- Monitor management accounts, cash flow and financial progress at each meeting.
- Review and make recommendations to the Board on reserves, investments, and financing options.
- Review the performance of the organisation against financial goals and targets, as well as fundraising performance against goals and targets.
- Develop key performance indicators (KPIs) for presentation to the Board to measure financial progress.
- Review the performance of new areas of work with a significant financial or fundraising impact in relation to income/expenditure and timeliness.
- Identify and assess financial/fundraising risks and management response to them on behalf of the Board and recommend revised/improved controls as required.
- Provide input to the risk management process concerning the organisation's financial/fundraising risks and recommend approaches to mitigate against these risks.
- Review the internal control environment and approve new internal financial and fundraising controls and procedures and significant amendments to same.
- Review all levels of signature authority within the organisation and ensure that they are appropriate in terms of maintaining good internal control and operational flexibility.
- Review and make recommendations on other financial and fundraising matters in relation to the organisation.

Membership:

The subcommittee will consist of a Chairperson, who is a Board member (and should normally be the Treasurer) and at least two other Board members. The subcommittee shall have at least one external member. The Chair of the Board shall be a member of the subcommittee but cannot chair the subcommittee.

The Chair of the Audit and Risk subcommittee shall be invited to attend all meetings. Any board member may be invited to attend by the Chair of the Finance subcommittee.

Relevant staff members shall normally be required to attend all meetings of the subcommittee. Other staff shall attend meetings as required. Youth Advisory Panel members may be requested to be in attendance.

A staff member shall act as secretary to the subcommittee. There will be a clear definition of the roles and responsibilities of the staff member acting as the secretary for the subcommittee, including their responsibilities for preparing and distributing minutes and other documentation.

Casual vacancies in the subcommittee membership shall be filled by the Organisation Board from among their members, and the board will also consider proposals in relation to the replacement of external members.

Frequency of Meetings and Quorum:

The subcommittee shall meet not less than four times per year, or more frequently if the business requiring its attention should so dictate.

A quorum at each meeting shall be two members, one of whom must be a Board member.

Reporting to the Board:

The chair of the subcommittee should report to the board on the activities of the subcommittee at each board meeting.

The subcommittee will present verbal and/or written reports to the Board.

The subcommittee meetings will be minuted and these minutes will be circulated to the Board.

The subcommittee's work should be fully and accurately reflected on the Board's agenda and minutes.

Authority:

The Finance subcommittee has the authority to seek any information it requires from the organisation's management, employees, and external advisors in order to fulfil its duties.

The subcommittee may also engage external advisors to assist in its work, subject to the approval of the board.

Review:

The subcommittee shall conduct an annual self-review of its performance and effectiveness and shall provide a report to the Board with recommendations for improvement. The Subcommittee shall review its terms of reference at least once a year.

The subcommittee will have a clear procedure for managing conflicts of interest among subcommittee members and ensuring that any potential conflicts are identified and disclosed.

Regularly involve stakeholders such as the youth advisory panel and relevant staff members in subcommittee meetings and activities, as appropriate.

Communication and Reporting:

Establish clear communication and reporting procedures between the subcommittee and the rest of the board, which should be in line with the regular reporting schedule, to ensure that the board is kept informed of the subcommittee's activities and recommendations.

The subcommittee shall have a clear policy on how financial and fundraising risks are identified, evaluated, and managed.

Terms of Reference to be reviewed no later than: February 2025

Reviewed by the Finance Subcommittee on: 24th January 2024

Approved by the Board on: 26th March 2024