

Special Olympics Ireland - Finance and Audit Subcommittee

Terms of Reference (2017.05.15)

Constitution:

The members of the subcommittee will be appointed by the board. Committee membership will initially be for 3 years and can be subsequently extended by up to 2 additional 3 year periods, as long as members continue to remain independent.

The Committee shall consist of at least three members, two of which are Board members and the quorum shall be two. The Chairman of the Board shall not be the chair of the Committee. The Board shall fill vacancies occurring in membership from among their members. At least one member of the Committee should have recent and relevant financial experience.

The subcommittee have delegated responsibility to make financial decisions, as authorised on behalf of the Board between meetings, and to report such decisions to the next Board meeting. Details of particular levels of authority are outlined in the Levels of Authority document.

The subcommittee shall meet at least three times per year in advance of Board meeting where key financial matters are decided such as the annual budget, the external audit and quarterly management accounts.

One of the committee will act as Secretary to the Committee, ensuring papers are distributed and minutes of decisions are maintained. The Director of Finance shall normally be required to form part of the sub-committee. The Committee shall invite members of management and external Auditors to attend meetings as required.

Role:

The Finance and Audit Subcommittee (FSC) is a subcommittee of the Board. Its role is to share the workload of the Treasurer in monitoring and managing the organisations finances. It provides an opportunity for detailed discussions and consideration of financial matters, with regular reporting to the Board. It may be given delegated authority for some financial decision making. However the Board as a whole has ultimate responsibility for ensuring the organisations finances are effectively used and can be accounted for and therefore must remain actively engaged in financial matters.

Confidentiality:

All committee members must strictly preserve the confidentiality of any information coming to their knowledge in the course of their work as committee members relating to members of the Company, athletes, coaches, families, volunteers or fellow board members/committee members. This confidentiality is to be preserved both during and after the committee member's term of office.

Duties:

Pertaining to the general finance function:

- To approve financial policies and procedures
- To ensure the organisation maintains appropriate accounting systems.
- To monitor and review compliance with the internal control and risk management systems considering reports from the management on the effectiveness of the systems they have established and the conclusion of any testing carried out by internal or external auditors.
- To ensure compliance with financial legislation, regulation, ethical and other related issues.
- To ensure the proper resourcing of the department and the appointment of suitably qualified finance staff.
- To receive reports from the Director of Finance.
- To ensure financial reports contain sufficient information to enable properly informed decisions.
- To present financial reports and budgets to the Board for approval and to report its activities to the Board on a routine basis.
- To make recommendations on all finance matters. The Board is responsible for the final decision.
- To ensure Board members have sufficient financial administration knowledge to enable them to make properly informed decisions for which they are responsible.

- Prepare a summary statement of the role of the Finance and Audit Subcommittee for inclusion in the Financial Statements in compliance with the requirements of the Governance Code for the Not-For-profit sector.
- Review these terms of reference on an annual basis. And monitor and evaluate the performance of the subcommittee and make recommendations to the Board with regard to any necessary adjustments.
- Present the audited accounts to the AGM
- Considering other topics as defined by the Board

Duties:

Pertaining to the audit function:

(A) Examine all announcements relating to financial performance including annual and half yearly financial statements, considering:

- The appropriateness and application of:
 1. Accounting policies.
 2. Compliance with accounting standards, including any changes in accounting standards in the period
 3. Legal and regulatory requirements,

Any significant adjustments proposed by the Auditor during their review and any matters of significant disagreement between Auditor and management

- The treatment of any other major judgmental items
- The appropriateness of the going concern assumption
- Reviewing the disclosure of the principal risks in the business and the associated corporate governance statement regarding internal controls.
- Reviewing the clarity and completeness of disclosures in the financial statements and considering whether the disclosures made are set properly in context
- Considering whether the financial statements provide a true and fair view

(B) Recommend to the board for approval by the members the appointment of the external Auditor and monitoring thereafter the relationship including:

- Considering the audit fee, and fees for non-audit work.
- Considering any questions of resignation, dismissal and independence, including investigation of any issues arising and considering whether any action is required.
- Approving their engagement letter, including any issued at the start of an audit.
- Considering the nature, scope and materiality of the audit, ensuring that there are no restrictions on the audit scope.
- Reviewing the external Auditor's management letter and management's response.
- Monitoring the Auditor's compliance with relevant ethical and professional guidance on the rotation of partners.
- Seeking reassurance that the auditors and their staff have no financial, business, employment or family and other personal relationship with the company which could adversely affect the auditor's independence and objectivity.
- Reviewing any representation letters requested by the Auditor before they are signed by management.
- Reviewing the effectiveness and objectivity of the audit process on an annual basis, the quality control procedures and consider the expertise and resources of the Auditor.
- Meeting at least annually with the external Auditor, without management being present, to discuss their remit and any issues arising from the audit
- Considering communications from the external Auditor on audit planning and findings and on any material weaknesses in accounting and internal control systems that came to the Auditor's attention