



Terms of Reference – Finance Committee

Authority

The Finance Committee is authorised by the Board of DCU Educational Trust Company to review and if necessary, investigate any activity within its areas of responsibility. It is authorised to seek any information it requires from any employee or advisor, and all employees and advisors are directed to co-operate with any request made by the Committee. The Finance Committee is authorised by the Board of DCU Educational Trust Company to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary in order to carry out its responsibilities at the reasonable expense of DCU Educational Trust and subject to budgets agreed by the Board.

The Committee will report to the Board at each Board meeting and the Chairman of the Committee will report progress to the Board on a regular basis as may be required. Minutes of meetings will be available to the Board, provided no conflict of interest arises.

Membership

The Chairperson and members of the Finance Committee shall be appointed by the Board. The membership of the Committee shall consist of a Chairperson and no less than two (2) other members.

At least one member of the Committee shall be a Director of DCU Educational Trust Company. The Committee should ideally include one member who is a professional qualified accountant.

The Chairperson and the Committee members shall be appointed for a period of three years, and, unless decided otherwise by the Board, shall be eligible for reappointment for one further term of three years or part thereof, subject to ongoing DCU Educational Trust Company membership where relevant. The Board may decide to reappoint Committee members for a second additional term or part thereof where necessary to ensure appropriate succession planning and that the Committee members have the necessary range of skill sets.

Meetings

The Finance Committee shall be convened by the Chairperson as is required to carry out its business. Notwithstanding this, the Finance Committee shall meet at least 4 times per year at a minimum, unless otherwise approved or requested by the Board. Where the Chairperson is unavailable to attend or participate, he/she may appoint a member of the Committee to act as Chairperson in his/her absence.

A Quorum shall be two members present at the meeting. Members may attend in person or by electronic means, including by teleconference or by videoconference. Any matter on which a vote of the Committee is required shall be determined by a majority of the votes of the Committee Members present and voting on the matter, and, in the case of an equal division of votes, the Chairperson shall have a second and casting vote. Members may take decisions by email.

Responsibilities

The following are the scope of responsibilities relating to the Finance Committee:

Scope relating to General Financial Management

Take responsibility on behalf of the Board for overseeing all financial aspects of Charity operations so as to ensure excellent financial processes, practices and controls.

Review the organisation's financial risk analysis, quarterly management accounts, annual income, expenditure and capital budgets and submits to the Board for approval.

Review annual budget and make recommendations to DCUET board.

Regularly review performance against Plan and Budget.

To review the draft of the [three/ five] year business plan and supporting financial plan and budget and make recommendations thereon to the Board of Trustees.

Review longer term forecasts of income and expenditure and approve the form of presentation of financial information.

Propose options for timely actions to mitigate risks to satisfactory financial performance.

Safeguarding charity funds and ensuring propriety, efficiency and effectiveness in their use.

The committee shall review any other statements requiring board approval which contain financial information.

Where the committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the board.

To monitor monthly expenditure with respect to of all outflows to ensure there are satisfactory explanations for all significant variances.

Scope relating to Internal Controls

Ensure all recommendations presented in the WinAbu report and approved by the Board have been adopted by DCUET.

To consider the effectiveness of the system of internal controls to safeguard assets and to give assurance that the Annual Financial Statements give a true and fair view.

To meet with the auditors on an annual basis to seek their feedback on the completeness and use of internal controls.

Scope relating to External Audit/Financial Statements

The committee shall monitor the integrity of the financial statements of the company, including its annual report, report to the board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.

The Committee shall assess the draft Annual Financial Statements and, once satisfied, to recommend them to the DCUET Board for approval and submission to the Auditor for audit.

To review any Management Letter issued by the Auditor and to ensure there is satisfactory follow up/response from DCUET Management.

Monitor management's implementation of audit recommendations.

Ensure that all requirements are in place to implement the Charity Statement of Recommended Practice. This includes but is not limited to:

- In the annual report, outline DCUET's aims, including details of the issues it seeks to tackle and the changes or differences it seeks to make through its activities;
 - how the achievement of its aims will further its legal purposes;
 - its strategies for achieving its stated aims and objectives;
 - the criteria or measures it uses to assess success in the reporting period; and

- the significant activities undertaken (including its main programmes, projects or services provided), explaining how they contribute to the achievement of its stated aims and objectives.
- the charity's organisational structure and, where relevant, those of its subsidiary undertakings;
- how the charity makes decisions, for example which types of decisions are taken by the charity's trustees and which are delegated to staff;
- the policies and procedures for the induction and training of trustees;
- the arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay;
- if the charity is part of a wider network (for example if it is affiliated with an umbrella group), how, if at all, this impacts on the operating policies adopted by the charity; and
- relationships between the charity and related parties, including its subsidiary undertakings, and with any other charities and organisations with which it cooperates in the pursuit of its charitable objectives.

Monitor progress report provided by Head of Finance regarding the implementation of the Charity Statement of Recommended Practice.

Scope relating to Investment Management

Agree and review the Charity's statement of Investment Principles.

Agree and review the Charity's investment policy, including the Charity's stance on ethical investments.

Agree and review the Charity's attitude to financial risk and the Charity's asset allocation strategy.

Review the performance of the Charity's portfolio of investments.

Consider changes to investment strategy and make appropriate recommendations to the Board.

Review the performance of the Charity's Investment Managers and to meet them formally at least once a year.

Report to the Board of Trustees on a quarterly basis.

Information Requirements

Minutes of the previous meeting

Separate note regarding the actions from the previous meeting

Management Accounts for the period (including breakdown of income, gain and fees for investment fund movement)

Management Accounts explanatory document

Balance sheet including fund breakdown

Breakdown of Funds including income, expenditure, transfers, fund opening and closing balances

Investment fund reports for the period

Any other additional documentation required on a meeting by meeting basis