



Finance & Risk Standing Committee

TERMS OF REFERENCE

Purpose of Document:

Terms of Reference (ToR) can set out the working arrangements for a partnership and can list vital information about the partnership, such as its purpose, chair and membership, meeting schedule, level of administrative support, and dispute resolution processes.

This document has been ratified by the Board of IASLT.

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| Title of Committee: | <i>Finance & Risk Standing Committee</i> | | |
| Type of Committee: | Standing Committee | <input checked="" type="checkbox"/> | |
| | Sub-Committee | <input type="checkbox"/> | |
| | Working Group | <input type="checkbox"/> | |
| Structure & Key Roles: | Number of Members: 5 Key Roles: Chair: Director of Finance, Audit & Risk; Assigned minute taker, Chief Operations Officer (COO), committee member. | | |
| Links to Other IASLT Committees: | This Committee reports directly to the IASLT Director of Finance & Risk. The committee will also support the IASLT's COO and Professional Development Manager in the management of budget allocations and processes to support the IASLT's committees, representatives and working groups as required or requested. This Committee is also supported by the IASLT's external accountant for the purposes of the sign off of the annual accounts at the end of a financial year in preparation for the IASLT's Annual General Meeting. | | |
| Number of Meetings Annually and Frequency: | Frequency to match IASLT Board meetings (approx. every 8 weeks). Committee meeting to ideally take place at minimum a week prior to the IASLT Board meeting. | | |
| Version Number: | V1.2 | | |
| Approval Date: | 2.12.2022 | | |
| Date for revision: | December 2022 | | |
| Electronic Location: | <i>IASLT Website. Dropbox for Board and Standing Committee.</i> | | |
| Version: | 2 | Date Approved: | 2.12.22 |

1. Background/Context

As a company limited by guarantee, the Irish Association of Speech and Language Therapists (IASLT) does not have a share capital or shareholders. Instead, as per the IASLT's constitution (Clause 6), the members act as guarantors for the organisation's liabilities:

“6. Every member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up while he/she is a member or within one year after he/she ceases being a member, for payment of the debt and liabilities of the Association contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding €1.00.”

The liability of members is limited (Clause 5).

The Finance & Risk committee is established by the IASLT's Board of Directors. Its purpose is to keep under review the adequacy, scope and effectiveness of the financial management of the Association including the accounting and internal control systems of all activities carried out by the IASLT.

The committee plays a key role in safeguarding the financial interests of the Association, its Directors and members through the development of internal processes for the financial oversight, audit of these processes to provide assurance to the members and Board of Directors that the governance functions effectively to protect the financial viability of the organisation, and to reduce the exposure of the IASLT to any risk that may threaten its continuity of operations. Risk across all aspects of the organisation, not just finance, is included as a second area of responsibility of a Finance & Risk Committee

The Finance & Risk Committee should review all financial statements and reports on financial activity that are due to be presented to the Board. The Board will be better equipped to respond to consolidated information about financial trends, risk and highlights with an accompanying narrative report rather than the detailed statement of financial position.

To assist the Board to fulfil its leadership and oversight functions, it is important for the Executive and the Finance Committee to present the information in as clear and concise a manner as possible

2. Roles, functions and responsibilities of the IASLT Finance & Risk Committee

As a standing committee of the IASLT, the Finance and Risk Committee reports directly to the Board of Directors via the nominated director undertaking the role of Director of Finance, Audit & Risk.

The key roles of the committee/working group will be:

A. Finance:

- Engaging in financial planning including the development of budgets and reviewing requests for significant capital expenditure to form an opinion and make recommendations on same to the Board where required.

- Engaging in financial performance monitoring through the review of the organisational management accounts a minimum of four times per annum (quarterly, where possible) and reporting on same to the Board.
- Ensuring value for money in the provision of goods and services.
- Advising the Board of IASLT on potential fund-raising strategies
- Engaging and maintaining a working relationship with the external accountant to oversee compliance with any legal obligations and reporting requirements as they apply to the financial accounts.
- Reviewing changes in internal financial policies and practices of the IASLT. Development of new policies where gaps are identified. All policies should be in accordance with best practice and forwarded to the Board for final sign off.
- Ensuring expenditure and financial reporting meets funder contractual requirements.
- Monitoring and reviewing the independence, objectivity and effectiveness of the services provided by the external accountants
- Recommending any change in external accounting provider to the Board and approving the remuneration and engagement of the external auditor
- Developing and recommending policy on the supply of any non-accounting services by the external accountant, taking into account ethical guidelines in this regard
- Recommending the accounts to the Board for signing by the Directors.
- Reviewing the banking arrangement of the IASLT annually to ensure the financial services are adequate and costs are competitive.
- Reviewing any insurance arrangements of the IASLT annually to ensure that the cover in place is adequate.

B. Audit:

- Engage external auditors for the purposes of meeting IASLT financial and regulatory requirements including ensuring that an annual audit takes place.
- Review of draft audit reports before they are signed off.

C. Risk:

- Developing and maintaining a Corporate Risk Register for the IASLT identifying significant risks to the sustainability of the organisation.
- Identification and monitoring of the control measures developed or required to mitigate against identified risks.
- Advising on IASLT financial reserves.

The existence of the Finance & Risk committee does not in any way diminish the overall responsibility of the Board of Directors of the IASLT for risk management and financial governance within the organisation. However, the committee will provide a

significant level of assurance that issues relating to each key area have been rigorously examined.

The Committee will provide an updated report and copies of any recent minutes from its meetings to the Board ahead of each board meeting throughout the year. The report will be developed by the Committee, signed by the Committee Chair and forwarded to the Director of Finance, Audit & Risk for circulation to the Board.

a. Role of individual group members

The role of the individual members of the IASLT Finance & Risk Committee includes:

- attending regular meetings as scheduled
- actively participating in the group's work and contributing to the effective functioning of the committee/working group.
- being committed to, and actively involved in, pursuing the committee/working group's goals.
- adhering to timelines and deadlines as agreed.
- communicating immediately any change in circumstances that may impact on the member's ability to contribute to the committee/group.

3. Membership

a. Chair/Convenor

The committee will be chaired by the Director of Finance & Risk. Meetings will be convened by the Chair or other nominee in the absence of the Chair.

The Chair is responsible for co-ordinating the work of the group and adhering to timelines

The Chair is also responsible for communicating with IASLT COO and Professional Development Manager.

b. Quorum

The quorum necessary for the transaction of business is 3 members.

4. Accountability and Reporting Relationships

The Chair is responsible for reporting back to the IASLT Board through the Director of Finance & Risk. These reports will be requested by way of update ahead of meetings of the Board of Directors and should be provided in writing for circulation to members of the Board for review in advance of these meetings.

The IASLT Board carries the legal responsibility for all IASLT's activities. It is therefore important that committees report to the Board about their activities on a regular basis and that committees are accountable to the Board if they have not

carried out their responsibilities, as set out in their Terms of Reference. The Board will provide support and advice to committees as required.

5. Data Storage:

All data that relates to the work of IASLT including but not limited to meeting agendas, minutes and reports must be stored centrally using IASLT Dropbox. The Chairperson is responsible for ensuring the appropriate storage of data.

6. Working methods

Meetings will be held virtually. The frequency will be linked to the IASLT Board meetings, so that the committee can inform the Board in advance of the financial updates and any other relevant information.

Relevant documentation in relation to the proposed agenda will be circulated a minimum of 3 working days prior to the meeting, in order to give members time to review all the documentation in advance.

A named individual will take the minutes. A minute taker for the next meeting will be allocated at the end of the previous meeting. If the allocated minute taker cannot be present at the meeting it is their responsibility to contact another member of the committee to take the minutes. Minutes will be circulated and signed by the chairperson within a week after the meeting. Previous minutes will be approved at the start of each meeting.

Documents will be stored in IASLT Finance and Risk Committee folder on Dropbox.