

## Finance and Audit Committee Terms of Reference ICMCI

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### Authority

The Finance Committee is an advisory committee of ICMCI, reporting to the Board of Directors. It has no executive authority. In the event of any contradiction between these Terms of Reference and the Bylaws, the Bylaws shall prevail.

### Purpose and Scope of the Finance Committee

#### *Main purpose:*

The Finance Committee is accountable to assist the Board of Directors in its stewardship function with respect to the integrity of ICMCI internal control systems, financial reporting, and financial planning for the ICMCI.

#### *Scope:*

- Relevant bylaws and rules governing the Finance Committee
- Relevant policies
- Relevant procedures
- Amendments

### Key duties of the Finance Committee

1. Recommend long term financing strategies of ICMCI, monitor Board-approved financing approach and recommend corrective action if necessary;
2. Monitor the financial position of ICMCI in collaboration with the Executive Director and the Treasurer and report regularly to the Board of Directors;
3. Report annually to the Assembly of Delegates on its activities throughout the year, and the health of ICMCI's finances and its audit process.
4. Submit the annual financial statements, along with its recommendations, to the Board of Directors for approval;
5. Develop standards and guidelines for finance and accounting principles and practices for ICMCI;
6. Review the ICMCI two-year budget submitted to the Board of Directors, ensuring that the funded activities are in support of ICMCI attaining its strategic plan;

7. Review any committee-related operating and capital budgets and make recommendations to the Board of Directors;
8. Consider the appropriateness of ICMCI's accounting and financial reporting and make recommendations in this respect to the Board of Directors;
9. Review the Executive Director's recommendation for the appointment of and the terms of engagement of independent auditors, and oversee the work of the independent auditors;
10. Review the risk management framework to ensure that risks are properly managed by the ICMCI;
11. Review the Executive Director's compliance with legal and statutory requirements, including reporting on legally required remittances in areas of jurisdiction.

### **Transparency and confidentiality**

All Finance Committee members must act with discretion and maintain appropriate confidentiality of Finance Committee discussions.

**Note:** The Chair and committee members are appointed to these roles for their expertise. In these roles, they are carrying out ICMCI duties towards its vision and goals and are not representing their own institutes.

### **Relationships to other committees**

The Finance Committee, through its Chair:

- a) Collaborates with the Chair of the Membership Committee and informs on the financial status of Member and Provisional Member IMCs as required;
- ~~b) Informs the Chair of QAC on the financial status of Member and Provisional Member IMC as part of the full membership and re-assessment processes.~~
- c) Collaborates with the Banking Compliance Officer on matters related to the operation of ICMCI's banking facilities.

### **Relationship with Secretariat**

The Executive Director attends Committee meetings to provide coordinative advice for ICMCI strategy implementation and policy recommendations. The Committee may be asked by the Executive Director to provide insight or advice to the Executive Director with respect to Secretariat activities.

The Executive Director is delegated goals and work objectives directly by the Board of Directors. Any resource requirements of committees should be requested from the Board so appropriate priorities can be set.

## Reporting

The Finance Committee shall:

- Ensure the provision of an annual report, quarterly financial statements to the Board of Directors, and special reports at the request of the Board of Directors.
- Document its decisions and prepare minutes of its meetings, providing a copy to the Board of Directors via the Secretariat within one week of each meeting.

## Meetings

The Finance Committee shall meet at least quarterly.

## Quorum

A quorum shall be a simple majority of members who have been appointed.

## Committee Competencies

The Members of the Finance Committee should have previous relevant expertise in accounting, finance, auditing, budget preparation or financial management.

Members shall sign and abide by the ICMCI Code of Conduct.

## Number of members

The Committee will be composed of a Chair (who shall normally be the Treasurer), and up to four additional members. The Chair of ICMCI and the Executive Director are non-voting, ex-officio members.

## Representation

The membership of the Committee shall include diverse representation, including different member Hub regions, and a range of sizes, years since inception, years as a Member IMC and so on.

## Appointments to the Committee

### *Succession and appointment of members*

Members to the Finance Committee are appointed by a majority vote of the ICMCI Board of Directors. Nominations to the Finance Committee should be addressed to the Chair of the Finance Committee (Treasurer). The Chairs of the Finance Committee (Treasurer) and ICMCI together consult and propose Nominees as members of the Finance Committee to the ICMCI Board of Directors.

Once decided, the list of all Finance Committee members must be communicated to all Delegates.

The Treasurer, as Chair of the Committee, will act as ongoing liaison with the Board of Directors.

### ***Appointment of chair***

The Chair of Finance Committee shall be appointed by the Board, normally the Treasurer of ICMCI.

### **Termination and tenure/duration of appointments**

#### ***Removal of members***

The Finance Committee Chair is accountable for the management of Committee performance. Non-performing members should be warned by the Chair, and a clear request for performance improvement communicated documented via email. In the case of continued non-performance, the Chair may submit a request to the Board of Directors to remove that member, such decision to be made by a majority of the Board of Directors. The Board has the right, at any time, to terminate membership on the Committee.

#### **Duration of appointment**

Finance Committee members are appointed for a duration of three years. Consecutive appointments by recommendation from the Chair and approval of the Board for each term are permissible.

#### **Qualities required**

The skills and experience required on the Committee include:

- Financial reporting standards; at least one member must have a professional designation in accounting, auditing or finance;
- Understanding of the strategy and initiatives of ICMCI;
- Understanding of the role and activities of an IMC;
- Appreciation of the mandate of a global federated organization, especially its resourcing and funding.

Approved by the ICMCI Board 2023 03 20