

TERMS OF REFERENCE FINANCE & RESOURCES COMMITTEE (F.A.R.C.)

**Issued: May 2016
Last Reviewed: August 2018
Next Review Due: August 2019**

Purpose of Finance & Resources Committee (FARC):

- Evaluate the financial performance of the organisation and ensure finance resources are used appropriately and in accordance with the objectives of the organisation.
- Ensure that appropriate advice and recommendations are made to the Board to ensure the ongoing viability of the organisation occurs.

Functions:

- Monitor the financial performance of the organisation by reviewing and approving the financial reports that are presented at each FARC meeting
- Ensure financial reports are prepared that accurately reflect the financial performance of the organisation, are compared against the budget and key performance indicators
- Ensure all accounts are reconciled each month with any errors or significant variations reported to the FARC for review
- Prepare minutes of each FARC meeting that are endorsed and presented at the board meeting
- Review financial policies including the financial Scheme of Delegation and make recommendations to the Trust for any changes if needed
- Oversee the preparation of the annual budget and ensure it is aligned to the strategic objectives of the organisation
- Approve the appointment of the auditor and review their performance. Ensure that the annual audit occurs and the financial reports are prepared in accordance with any accounting, audit and statutory requirements
- Ensure that any surplus funds are invested in a prudent way
- Ensure any grants that are received are used in compliance with the funding agreement and acquittals (financial statements sent to the funder) are prepared in line with the terms of the agreement
- Evaluate Capital applications for both the DFC and SCA.
- Hold the Financial Officers and CEO to account for operational and strategic financial management.

Membership:

- The F.A.R.C. shall have a minimum of three appointed members that come from the board of the organisation. This can include the CEO as an Ex-Officio trustee. The CEO or Director of Finance are required to attend the FARC to present and discuss the relevant financial reports and issues. The Trust Finance Manager and Director of Operations will also attend.
- If the board identifies a need for additional expertise then an external expert can be appointed to FARC.
- Any other board member may also attend Meetings.
- An appointed member will be the chair of the meeting and present a report to the board meeting
- The quorum for the meeting will be based on two appointed members. In the event the Chair of FARC is absent then one of the other appointed members will chair the meeting.
- To be held at least each half term with a minimum of five meetings to occur during the year.
- The chair of the meeting will ensure the proceedings of the meeting are accurately minuted, recorded and endorsed prior to the next meeting. The Trust Governance Manager will usually clerk all Board Committees. An annual timetable of meetings will be provided.

General:

- Each year as part of the board performance review process, there will be a performance review of the FARC

The board will review these terms of reference at least annually but sooner if needed.