



Immigrant Council  
of Ireland

**Governance & Finance  
Committee  
Terms of Reference**

Effective Date: 7<sup>th</sup> November 2016  
Review Date: 7<sup>th</sup> November 2017

## **Governance & Finance Committee of Immigrant Council of Ireland Terms of Reference**

### **Governance**

The Memorandum and Articles of Association provide that the Board may delegate any of its powers to committees.

The Governance & Finance Committee is a sub-committee of the Board, to which it reports directly. It assists the Board in fulfilling its oversight responsibilities, and has key responsibilities for the ongoing monitoring and review of financial reporting process and performance, and the identification, management, mitigation and reporting of financial and operational risk. Membership will include the Treasurer and one other Board member.

### **Membership**

The Committee shall be appointed by the Board. There shall be a minimum of two members, one of whom shall be the Treasurer and the other a Board member. The Chairperson of the Committee shall be appointed by the Board. At least one member of the Governance & Finance Committee shall have significant, recent and relevant financial experience.

### **Quorum**

Two members constitute a quorum. Members must be present or capable of full participation in discussions via conference calls.

### **Minutes**

Minutes of every meeting shall be kept. The members of the committee may nominate the Company Secretary to take minutes.

### **Attendance**

In addition to members of the Governance & Finance Committee, the CEO, the Finance & Funding manager and other members of the management team and representatives of the external auditors shall be permitted to attend meetings at the invitation of the Committee. There shall be at least one meeting a year, or part thereof, where the Committee meets the external (and internal, if any) auditors without executive members present.

### **Frequency of meetings**

The Committee shall meet at least bi-monthly prior to the Board meetings, to coincide with key dates in the Immigrant Council of Ireland's financial reporting cycle. External auditors may request a meeting if they consider that one is necessary.

### **Authority**

In addition to the duties listed below, and subject to the express approval of the Chairperson and Board, the Committee has the authority to:

- seek any information that it requires from any employee of the Immigrant Council of Ireland and all employees are directed to co-operate with any request from the Committee;
- obtain outside legal or independent professional advice, at the Immigrant Council of Ireland's expense, and secure the attendance of outsiders with relevant experience if it considers this necessary.

## **Duties**

### **Financial reporting**

The duties of the Committee shall be to review, and challenge where necessary, the actions and judgment of management in relation to the Immigrant Council of Ireland's financial statements before submission to, and approval by, the Board and before clearance by the auditors.

Particular attention should be paid to:

- critical accounting policies and practices, and any changes in them;
- decisions requiring a significant element of judgement;
- the extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
- the clarity of disclosure;
- significant adjustments arising from the audit the going concern assumption;
- compliance with relevant accounting standards ;
- compliance with legal and regulatory requirements;
- to consider other topics, as defined by the Board.

### **Internal control and risk management**

The duties of the Committee shall be:

- to review the Immigrant Council of Ireland's procedures for detecting fraud and whistleblowing, and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- to review management's and the internal auditor's reports, if any, on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- to monitor the integrity of the Immigrant Council of Ireland's internal financial controls;
- to review the statement in the Immigrant Council of Ireland's annual financial statements on the Immigrant Council of Ireland's internal control and risk management framework;
- to assess the scope and effectiveness of the systems established by the management team, to identify, assess, manage and monitor financial and non-financial risks.

### **Governance**

The duties of the Committee shall be:

- to consider annually whether there is a need for an internal audit where no such function exists;

- To review the Immigrant Council of Ireland's fitness against the key elements set out in the Governance Code<sup>1</sup> and ICTR Statement of Guiding Principles for Fundraising<sup>2</sup>;
- To support the Immigrant Council of Ireland in ensuring that its governance arrangements are fit for purpose to work towards regulation with the new Charities Regulatory Authority.

### External audit

The duties of the Committee shall be:

- to oversee the Immigrant Council of Ireland's relations with the external auditor to consider, and make recommendations on the appointment, reappointment and removal of the external auditor to approve the terms of engagement and the remuneration to be paid, if any, in respect of audit services provided;
- to assess the qualification, expertise and resources, effectiveness and independence of the external auditors annually to discuss with the external auditors, before the audit commences, the nature and scope of the audit;
- to review, with the external auditors, the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved;
- key accounting and audit adjustments;
- levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors remain unadjusted;
- to review the audit representation letters before consideration by the Board, giving particular consideration to matters that relate to non-standard issues;
- to discuss with the external auditors their views on the strengths and weaknesses of the systems of internal control to assess, at the end of the audit cycle, the effectiveness of the audit process;
- to review and monitor the formal report from the external auditors of their audit findings, and the responses, where appropriate, from the management team.

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<sup>1</sup> **Governance Code: a Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland:** the Governance Code is recognised as the most reputable body which charities may sign up to in relation to their overall governance, and complements the ICTR as many of the same actors were involved in the drafting and consultation around same. The Governance Code deals with issues around how the organisation is run and the role of the NGO sector in the public. It is principles-based, rather than rule-based, and it is voluntary. It is expected that groups and organisations will compare themselves to the standards outlined in the Code on a 'comply or explain' basis. This means that the ICI measures our organisation against the principle in question, and specifically against each of the actions relating to a particular principle.

<sup>2</sup> The **ICTR** is a membership body made up of charities that are committed to creating a policy environment in which charitable organisations can thrive. The Immigrant Council of Ireland is in the process of becoming a member of ICTR, and implementing the Statement of Guiding Principles for Fundraising, which proposes that operational and administrative aspects of fundraising would be regulated by agreed Codes of Practice. The Statement offers donors and potential donors clarity on what they may expect for the charity, its representatives and its management. It is not a legally binding Code but sets out best practice in its main and supporting principles. The ICTR provides the Immigrant Council the opportunity to make it publically known that we act in good faith in all of our fundraising activities and in compliance with the highest standards.

### **Contracts**

Approval by Governance & Finance Committee of all capital projects over €5,000, all investments, and all contracts or cumulative contracts above €10,000 per annum made in the normal course of business (excludes sub contracts with EC project partners).

### **Reporting**

The Governance & Finance Committee shall annually review its terms of reference and its own effectiveness, and recommend any necessary changes to the Board.

The Governance & Finance Committee shall prepare a report on its role and responsibilities, and the actions it has taken to discharge those responsibilities for presentation to the Board and for possible inclusion in the financial statements. Such a report shall specifically include:

- a summary of the role of the Governance & Finance Committee;
- the names and qualifications of all the members of the Governance & Finance Committee during the period;
- the number of Governance & Finance Committee meetings and attendance by each member;
- the way the Governance & Finance Committee has discharged its responsibilities.