

Barretstown
Finance & Audit Committee
Terms of Reference – updated January 2016

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least four members: two Board members, independent advisers, the CEO and the Finance Director.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. The Board shall periodically review the membership of the Committee with a view to ensuring that it remains fit for purpose
- 1.4. The members of the Finance & Audit Committee shall appoint the Committee Chairman, who shall be a Board member. The Chairman will be responsible for updating the Board on behalf of the Committee.
- 1.5. A member of the Committee shall serve a term of three years. Where recommended by the Nominations & Remuneration Committee and agreed by the Board, a member may serve a further term of three years.
- 1.6. Members may not have any financial relationship with the company.
- 1.7. It shall be a requirement of ongoing membership of the Committee that a member attend not less than seventy five percent of all meetings in a calendar year.

2. Secretary

The Committee shall appoint a Secretary who will have responsibility for recording all meetings of the Finance & Audit Committee.

3. Quorum

The quorum necessary for the transaction of business shall be three. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

The Committee shall meet as often as may be required to ensure that it discharges its duties properly, but in any event not less than three times a year.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee and unless otherwise agreed, notice of each meeting confirming the venue time and date, shall be

forwarded to each member of the Committee and any other persons required to attend, no later than fourteen days before the date of the meeting.

- 5.2. Agenda and supporting papers shall be sent to Committee members and to other attendees no later than seven days before the date of the meeting.

6. Minutes of Meetings

- 6.1. The Secretary or his/her nominee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated to all members of the Committee.

7. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions on the Committee's activities.

8. Duty as Finance & Audit Committee

The Committee shall:

- 8.1. Regularly review the adequacy, scope and effectiveness of accounting and internal control systems for all financial activities carried out by Barretstown - these key controls are attached.
- 8.2. Review the organisation's financial risk analysis, quarterly management accounts, annual income, expenditure and capital budgets and submits to the Board for approval.
- 8.3. Ensure that accounting policies and procedures are in accordance with company law and charity best practice.
- 8.4. Oversight of the Treasury Policy for approval by the Board.
- 8.5. Review of statutory accounts of Barretstown before submission to the Board for approval.
- 8.6. To monitor Barretstown's relationship with its external auditors, to ensure that there are no restrictions on the scope of the statutory audit and to make recommendations on the auditor's appointment, remuneration and dismissal and to review the activities, findings, conclusions and recommendations of the external auditors.
- 8.7. To set specific annual objectives for the Committee with reporting dates outlined.

9. Reporting Responsibilities

- 9.1. The Committee Chairman shall report to the Board on its proceedings and on all matters falling within its responsibilities. The Committee shall report to the Board in one of three ways:
 - For Information – update the Board but no decision or Board input required;
 - For Discussion – input/feedback required from the Board but no decision;
 - For Action – decision required from the Board.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee Chairman shall work with the relevant Senior Leadership Team members to assist in the delivery of Barretstown objectives as outlined in the Master Action Plan.

10. Authority

- 10.1. The Committee is authorised to seek any information it requires from the Chief Executive Officer or Financial Director in order to perform its duties.
- 10.2. The Committee is authorised to obtain, at the organisation's expense, outside legal or other professional advice on any matters within its Terms of Reference, subject to the approval of the Board.

Key Financial Controls

Income

Barretstown has clear financial controls for Income/Cash received through the post, at events, from merchandise sales, coin boxes, as Gift in Kind, via requests, via the SeriousFun Children's Network and via Barretstown UK. The key controls involves segregation of duties, postal gifts given a unique identifier, receipts ledger updated daily with gifts amounts, monies received are put in the safe daily and lodged weekly or within cash parameters. Donations are coded in line with agreed coding practice to ensure receipts can be identified and donors appropriately thanked.

Appropriate insurance is in place to safeguard monies securely held on site to agreed levels and also to cover cash in transit on its way to being banked.

Treasury Policy

Barretstown has a clear policy around the receipt of funds in Euro and the parameters around which current currency deposits will be translated.

Purchases

Barretstown operates strict controls around expenditure as outlined in the purchase order procedure, outlining authorisation, tender process and detailed procedure for ordering goods/services. The key aim of the procedure is to ensure only authorised expenditure is incurred in line with agreed budgets, that value for money is achieved and financial control is maintained.

Barretstown maintains a related party register with regard to financial transactions entered into with employees or Board members which are reviewed on an annual basis by the Finance & Audit Committee.

Cheque Signatories/Payments On Line

The Board authorises signatories to Barretstown's bank accounts through a resolution of the Board and this is updated as required.

Petty Cash

The aim of petty cash is to reimburse small items of expenditure not expected to exceed €100 – clear controls are in place around how monies are reimbursed.

General Expenses

Controls are in place to ensure that expenditure is only reimbursed to employees/officers who in the course of their duties are out of pocket. Specific claim forms are to be completed and appropriately authorised prior to reimbursement by Finance.

Payroll

Barretstown has clear procedures and controls in place for the operation of payroll to ensure each person receives the correct remuneration, to safeguard the integrity of the person administering the payroll and to ensure there is no misuse. Controls focus on authorisation of HR to add an employee and any changes to their salary.

Appropriate procedures are in place to ensure prompt payment of all monies owed to the Revenue and that pension deductions and matching funds are transferred over to the pension provider in a timely manner.

Access Control

The accounting, database and payroll systems require authorised access in order for staff to see, amend or review sensitive data.

Reconciliations - Monthly

Reconciliations form a key part of financial control within Barretstown and to this end the following reconciliations take place:

- Bank reconciliations are undertaken whereby income and expenditure records are agreed to the bank. Cash book register is agreed to the general ledger.
- Vendor account balances are agreed to invoice, payments and statements (quarterly).
- Fixed Asset Register agreed to fixed asset invoices along with check that they are correctly authorised. Fixed asset register is agreed to the general ledger.
- Income recorded as an original entry in the CARE database is reconciled with the Finance record of income which is linked to the bank reconciliations. Gift in Kind is reconciled to backup documentation.
- Prepaid expenditure is monitored and released appropriately and schedule reconciled to general ledger.
- Accrued expenditure is reviewed and amended where appropriate. Investment valuations are collated and reviewed for accuracy. Deferred income is reviewed and adjusted as appropriate.

Budgets

Annual income and expenditure budgets are prepared by Chief Executive Officer and Senior Leadership Team, approved by the Finance & Audit Committee who present and make a recommendation to the Board. The Chief Executive Officer will bring to the Board for approval any excess expenditure outside agreed parameters.

Monthly Management Accounts

Monthly management accounts are prepared and act as a control with regard to recognising where income, expenditure, cash, investments are in respect of their expected targets. These are circulated monthly to the Senior Leadership Team and Finance & Audit Committee for discussion and form part of the financial update to the Board on a quarterly basis.

Statutory Accounts

Statutory accounts are prepared by the Finance Director, audited by an external Auditor, reviewed by the Finance & Audit Committee. A pre-planning audit meeting allows the Auditors and Finance & Audit Committee identify areas of focus.

External Auditor issues an annual post audit report which comments on the accounts as presented, how well they stood up to audit, outlines any adjustments or misstatements identified, appropriateness of the existing financial controls, the charity's compliance to best practice.

The external Auditor presents their findings to the Finance & Audit Committee at a meeting and are available for questions and discussions on the accounts as audited. The external Auditor attends the AGM and is questioned by the Board without the Senior Leadership Team present to allow the Board to have proper oversight therein.