

Board Finance and Audit Committee

Terms of Reference approved ...

The Finance and Audit Committee (FAC) shall have at least five members, with at least four members from the Board and one or more co-opted with preference given to those who have previously served as directors. The chair should be a TI Board director.

The purpose of the Finance and Audit Committee is to report to the Board of Directors on the state of the organisation's financial matters, including current position, future planning and internal controls, and on the organisational risk management. To fulfil this mandate the Finance and Audit Committee will provide biannual reports to the Board of Directors and such periodic reports as it may consider appropriate. Its activities will cover the following issues:

- a. It shall review the annual financial statements (if necessary, by direct contact with the external auditor) for accuracy, consistency and compliance with sound disclosure requirements and it shall report to the Board on these matters;
- b. It shall recommend the appointment of the external auditor to the Board;
- c. It shall review TI-S budgets and cash flow projections prior to their submission to the Board of Directors, provide guidance to management with regard to the allocation of TI-S's financial resources, and, as appropriate, make proposals to the Board jointly with management or independently.
- d. It shall review with management all plans and strategies for raising financial resources for TI-S and, as appropriate, make proposals to the Board, jointly with the management or independently.
- e. It shall determine where TI-S's major risks lie and how management is dealing with them. It shall review management reporting to the Committee on the soundness and effective implementation of the system of internal controls operating at TI-S;
- f. It shall review financial processes and steps to enhance skills and performance of the Finance team to make sure that financial controls are designed and implemented effectively;
- g. It shall periodically review the compensation structure of TI-S staff and make recommendations to the Board of Directors in relation to that structure; and
- h. It shall review TI-S methodology and standards applied to assess National Chapters compliance with the TI-S accounting and auditing requirements.