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Finance & Audit Committee Terms of Reference

Age Action has a Finance & Audit Committee which reports directly to the board of directors. The following is the committee's terms of reference:

1. Rationale and Role of the Finance & Audit Committee

The role of the Finance & Audit Committee is to oversee the effective financial and risk management of Age Action, including the raising, collection, investment, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the board thereon.

2. Membership, Appointment and Meeting Arrangements

- 2.01. The committee will be comprised of at least one director for the time being, with discretion to co-opt up to three additional non-director members with relevant skills and experience.
- 2.02. The honorary treasurer will chair the committee.
- 2.03. The membership term of the committee will be three years. Members may be asked to serve a second term, however the practice will be to encourage renewal of its membership.
- 2.04. The quorum necessary for the transaction of the business of the committee will be one director for the time being.
- 2.05. The committee may require other parties to attend its meetings, including members of the management team and the external auditor.

3. Key Responsibilities

The key responsibilities of the Finance & Audit committee will be to:

- 3.01. Annual Audit of Financial Statements
 - (1) Review the draft annual financial statements and related reports of the company and recommend their approval to the board.
 - (2) Make recommendations to the board on the appointment of external auditors.
 - (3) Monitor the external auditor's independence, objectivity and effectiveness.
 - (4) Review and make recommendations to the board in respect of matters raised by the external auditor in the post audit report.
 - (5) Advise the board, at five-yearly intervals, whether the organisation is receiving a cost-effective and high quality professional service from its external auditors. This advice will be based on an

evaluation of the auditor's performance and on the outcome of an open tender process for the following five years' audit contract.

3.02. Financial Management and Controls

- (1) Review the effectiveness and operation of the accounting policies, financial management processes and internal controls in place throughout the organisation.
- (2) Receive the monthly management accounts pack presented by the Chief Executive Officer.
- (3) Review and report to the board on the management accounts pack on a quarterly basis.
- (4) Review the annual budget and its underlying assumptions, as presented by the Chief Executive Officer, and recommend its approval to the board.
- (5) Develop and assess long-term strategy, in collaboration with the Chief Executive Officer and Head of Finance.
- (6) Adopt financial performance measures and review actual performance against short, medium and long-term plans and benchmarks.
- (7) Review and report to the board on significant capital expenditure proposals.
- (8) Meet such requests from the board for assistance, concerning finance related matters, as may arise from time to time.
- (9) Ensure that for parties wishing to communicate information of a sensitive nature to the organisation, there is a confidential access channel in place through the chair of the Finance & Audit Committee.

3.03. Risk Management

- (1) Conduct formal risk assessment and make recommendations to the board on an annual basis.
- (2) Ensure there are appropriate risk management and risk avoidance measures in place.

4. Resources

- 4.01 The board of the company will provide sufficient resources to enable the committee to perform its functions satisfactorily.
- 4.02 The committee, following notification to the Chair of the board, may seek such external professional advice as it deems necessary to discharge its responsibilities.

5. Reporting Relationships

- 5.01 The committee will report to the board on the outcome of its meetings and, following each meeting, forward a copy of the minutes to the Secretary of the board.
- 5.02 The board will review the performance of the committee on an annual basis.