



TERMS OF REFERENCE

THE FOUNDATION FOR INVESTING IN COMMUNITIES (The Foundation) FINANCE, AUDIT INVESTMENT AND GOVERNANCE COMMITTEE. (FAIG)

Authority

- The FAIG has the absolute discretion and authority to consider any Financial and Administrative activity of the Foundation, its subsidiaries (which at present are The Community Foundation for Ireland and Business in the Community) and any other activity at the request of the Board. Where this document refers to the Foundation for Investing in Communities, it includes both the Foundation for Investing in Communities and its subsidiaries, except where the context states otherwise.

Organisation and Structure

- Each of the Boards shall have at least one Board member who is a member of the FAIG. At least two members of the FAIG shall be members of the Boards. The FAIG shall consist of at least 3 members. At least one member of the FAIG shall have a financial background. The Chief Executive shall be ex-officio member of the FAIG, except where there is an audit committee item, where the CEO may be invited to attend by the Chair.
- The Chair and the members of the FAIG shall be appointed by the Board of the Foundation for Investing in Communities. The Chair of the FAIG shall be a member of the Foundation Board.
- The FAIG shall have power at any time, and from time to time, to appoint any person to be a Committee Member, either to fill a casual vacancy or as an addition to the existing members. Any Committee Member so appointed shall hold office only until the next Board of the Foundation for Investing in Communities.
- Appointments to the FAIG will be for an initial period of three years, and two renewable three-year terms. To ensure continuity on the FAIG no more than two members' terms shall expire in the same year. If a Committee Member has held that position for nine years or more then in order to be eligible for re-

appointment, a board item agreeing to the re-appointment must be approved at a Board meeting, of the Foundation for Investing in Communities, annually.

Responsibilities

- A) The FAIG is responsible to and reports to all Boards through the FAIG Chair.
- B) The FAIG shall satisfy itself, on behalf of the Board, that:
 - 1. the Foundation has established financial policies, a reliable system of internal control and appropriate financial reporting systems to ensure compliance with legal and regulatory requirements, and these systems are operating effectively;
 - 2. the Foundation's annual audited financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles;
 - 3. the Foundation has implemented procedures to identify, monitor and mitigate significant business risks;
 - 4. the external audit has been performed effectively, and any matter the Foundation's external auditors ('Auditors') wish to bring to the attention of the Board has been duly received and reviewed;
- C) The Chair of the FAIG is responsible for reviewing the expense claims of the Chief Executive as and whenever deemed appropriate.
- D) The FAIG shall assist the Chief Executive to evaluate the reasonableness and affordability of the annual operating budget relative to the mission, vision and goals of the Foundation. The FAIG shall also advise the Boards as to the Committee's views on the budgeting process and the budget, on the understanding that primary responsibility for development of the budget and its presentation to the Boards rests with the Chief Executive.
- E) The FAIG shall periodically review the results of actual expenditures versus budgeted expenditures and provide comment to the Chief Executive and to the Board.
- F) The FAIG shall recommend to the Board the appointment or re-appointment of Auditors, and approval of proposed audit fees.
- G) The FAIG shall monitor relevant legal, financial, treasury and tax issues and make recommendations to the Boards as appropriate.
- H) The FAIG shall review insurance requirements and coverage annually.
- I) The FAIG, annually, shall make recommendations to the CFI Grant Making Committee and to the CFI Board on the maximum amount available from the Endowment Fund for grant making.

- J) The FAIG shall ensure that the grants made are in accordance with the approvals given by the CFI Board.
- K) The FAIG shall each year authorise the amount to be transferred from the Endowment Fund to be used as a contribution towards the administrative and other overheads of the Foundation in accordance with the formula approved by the Board.
- L) In relation to the Endowment and Term Funds the FAIG shall develop for approval by the CFI Board a statement of the Funds' investment policy and objectives incorporating appropriate investment guidelines and constraints that meet any legal requirements, trustee responsibilities, sound investment practices and the grant making requirements of CFI.
- M) The FAIG shall select and recommend to the CFI Board one or more professional investment managers to manage the assets of the Endowment and Term Funds in accordance with the approved investment policy and objectives and shall review that selection from time to time, but at least every three years.
- N) The FAIG shall set appropriate investment performance objectives for the Endowment and Term Funds and shall meet with the managers to review performance relative to these objectives at least annually.
- O) The FAIG shall report to the CFI Board twice yearly on the performance of the Endowment and Term Funds relative to the Investment Policy and Objectives.
- P) The FAIG shall prepare Investment Reports for approval by the CFI Board at least annually and shall ensure that a copy of this is made available to donors.

Meetings

- The FAIG shall meet as necessary but at least twice per financial year. The meetings shall be scheduled to permit timely review of audit scope, interim and annual financial statements and Auditors reports. Additional meetings may be held as deemed necessary by the FAIG Chair or as requested by the Auditors or by the Chief Executive.
- A Quorum shall be a majority of the FAIG members.

Reporting

- Minutes of each FAIG meeting shall be prepared by a person designated to act as Secretary. Minutes shall be distributed to all members of the Committee. The Chair shall report to each Board.

- Supporting documentation on any matter reviewed by the FAIG shall be made available for examination by any member of the Boards upon request to the Chair of the FAIG.

Review

These terms of reference must be reviewed annually by the FAIG and submitted for approval to the Board of The Foundation for Investing in the Communities.

Note: The Foundation for Investing in Communities is an “Eligible Charity”, under Section 848A Taxes Consolidation Act 1997 and therefore, so are its subsidiaries.

May 2016

Addendum – not part of Terms of Reference - Actions for FAIG Meetings At Each Meeting

- Review Investment Managers quarterly report
- Review the management accounts
- Review the summary list of grants approved and management Declaration (3 times per year) (Grants Officer & Finance Manager/CEO). Detailed Grants list to be available on request.

March

- Review the prior year end management accounts
- Meet the Investment Managers (Endowment) to review performance in the previous year
- Review our Investment Report , “subject to audit” for the previous year (for the CFI website)
- Recommend to the Grant Making Committee and to the Board the maximum amount available from the Endowment Fund for grant making. (from current year budget)

May

- Review the management accounts for the first quarter of the year
- Review the Investment Policy and Objectives
- Receive report from CEO on reporting compliance required by relevant regulators and funders
- Review risk management framework
- Meet the Investment Managers (Term) to review prior year performance

September

- Review the audited financial statements for the year, for approval to Boards
- Meet the Investment Managers (Endowment)
- Recommend to the Boards the appointment of Auditors and approval of audit fees
- Review the half yearly investment report
- Review final investment report for prior year on conclusion of the audit
- Review the management accounts for the second quarter of the year
- After statutory audit, review audit report, including discussion on internal controls
- Meeting with auditors without management present, to review annual accounts, internal controls and accounting and other records

November

- Approve budget for the following year
- Authorise the amount to be transferred from the Endowment Fund to be used as a contribution toward the administration and other overheads of the Foundation.
- Review management accounts for the third quarter of the year
- Review reserves policy.
- Review insurance
- Meet the Investment Managers (Term)

Actions for Governance Committee Meetings

At Each Meeting

- Make aware of any legal agreements outside the norm

Meeting 1 (May)

- Review the Terms of Reference for FAIG
- Review CFI Donor Charter complaints register
- Review Constitution (every 3 years, next 2019)
- Review written policy statements (every 3 year, next (2017))
 - Employment
 - Equality
 - Data Protection
 - Child Protection
 - IT Policy
- Review Whistleblower's Charter (every 3 years, next 2018)
- Receive other reports on Legal/Regulatory Compliance
- Receive Health & Safety Reports for the Year
- Review delegation of authorisation of donor agreements to CEO by Board

Meeting 2 (November)

- Review of sub-committee membership
- Review Board Code of Conduct
- Review Conflict of Interest policy
- Review Procedure for Independent Legal Advice
- Approval of appointment of Principal Professional Advisers
- Review, renew & notify Governance code (every 3 years, next 2019)

Updated May 2016