

FINANCE COMMITTEE

The finance committee plays a key role in overseeing and guiding the financial health and sustainability of the organisation. Its primary purpose is to advise the Governing Body on financial matters, ensure sound financial management while ensuring the organisation uses its resources effectively to support its strategic goals.

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Principles of Good Governance as set out by the Charities Regulatory Authority



1. Constitution

The Finance Committee was established by the Royal Irish Academy of Music (RIAM) Governing Body. It will carry out its duties in accordance with RIAM's constitution.

2. Purpose

The finance committee plays a key role in overseeing and guiding the financial health and sustainability of the organisation. Its primary purpose is to advise the Governing Body and Executive on financial matters, ensure sound financial management, while ensuring the organisation uses its resources effectively to support its strategic goals.

3. Membership of the Committee

The Committee shall be appointed by the Governing Body.

- The Committee shall consist of at least 3 members with a maximum of 7.
- At least 2 of the members must be independent Governors.
- The committee members will have a range of Finance and general management skills.
- One of the members must hold an internationally recognised accounting qualification.
- The Governing Body will seek to ensure a diversity balance on the Committee.
- The Chair of the Governing Body shall be a member of the Committee.
- The RIAM Director shall be an ex officio member of the Committee.
- Members of the RIAM Audit & Risk Committee are ineligible to serve on the Finance Committee
- Committee members will normally be appointed for a term of three years, with the potential for two further three-year terms if deemed appropriate.
- The Governing Body appoints external adviser members of the Committee, if deemed appropriate.

4. Chair of the Committee

- The Chair of the Committee shall be appointed by the Governing Body and must be an independent Governor.
- The Chair will normally be appointed for three years, with the potential for two further three-year terms if deemed appropriate.
- If a situation arises that the Chair is unavailable to attend, the Committee members present will choose one of their number to be Chair of that meeting.

5. Secretary

- The Chief Financial Officer & RIAM Secretary shall be the Secretary to the Committee.
- The Secretary is responsible for the formal induction of new members of the Committee.

6. Attendance at Meetings

- Only members of the Committee have the right to attend Committee meetings.
- Committee meetings may be held in person or by online video conferencing, or by a mixture of both methods.
- Members of the RIAM management team and external advisers may be invited to attend for all or part of any meeting, as and when the Committee deems that appropriate or necessary.

- The Committee may ask the Director and/or any or all of those who are not members to withdraw to facilitate open and frank discussion of particular matters.

7. Quorum

- The quorum required for the transaction of business shall consist of at least 2 members, one of whom should be an independent Governor.

8. Frequency of Meetings

- The Committee shall ordinarily meet four times a year and as otherwise required and determined by the Committee.
- The Chair of the Committee may convene additional meetings as they deem necessary.
- The Governing Body may ask the Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice.

9. Notice of Meetings & Agenda

- At the start of each year, the meeting dates for the calendar year ahead are to be agreed upon.
- Unless otherwise agreed, further notification of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend not later than five days before the date of the meeting.
- Supporting papers shall be sent to Committee members and other attendees, as appropriate, at the same time.
- A member of the Committee that wishes to have an item included on the agenda should forward same to the Secretary and Chair of the Committee prior to the meeting.
- Urgent matters may be raised by any member with the permission of the Chair of the Committee under Any Other Business.

10. Minutes

- The Secretary shall minute the proceedings and resolutions of all meetings of the Committee,
- Where the Secretary is not in attendance for any reason, the Chair of the Committee will be responsible for ensuring that appropriate minutes are taken.
- Draft minutes of Committee meetings shall be circulated to all members of the Committee within 7 working days of the meeting.

11. Voting and Decision Making

- Committee decisions are made by consensus or, if required, by a majority of the votes of the members present.
- Each member of the committee present has one vote.
- In the case of a tied vote, the Chair of the Committee will have a deciding vote in addition to their vote.

12. Disclosure of Interests

- In the interests of good governance, it is required that members express any actual or perceived conflicts of interest with items on the agenda at the start of each meeting.
- The Chair of the Committee is responsible for addressing any potential conflicts of interest.
- If a conflict is identified, the member involved should recuse themselves from any discussion or decision-making related to the conflict.
- Conflict of interests if identified will be engaged with in a just and equitable manner.

13. Authority

- The Committee is responsible for making recommendations to the Governing Body within the agreed duties as set out in this Term of Reference.
- The Committee is authorised to seek the information it requires from the Governing Body / Staff / other Stakeholders in order to perform its duties.
- The Committee is authorised to obtain, at reasonable expense, outside legal or other professional advice where it judges it necessary to discharge its responsibilities as a Committee.

14. Reporting

- Following each meeting, the Committee Chair shall report to the Governing Body on the business of the Committee at the next meeting of the Governing Body. Should the Chair be unable to attend, another Committee member may act on the Chair's behalf.
- The Committee shall make a statement in the annual report about its activities and any significant plans for the future.

15. Code of Conduct & Confidentiality

- Under their fiduciary duties of loyalty and care, Committee members are required to protect and hold confidential all non-public information obtained due to their committee membership position.
- Committee members are expected to always adhere to the RIAM Code of Conduct.

16. Annual Review

- The Committee shall review its performance and evaluate whether it is operating at maximum effectiveness, including its procedures and membership, on an annual basis.
- The Committee shall review its terms of reference annually, and to reflect best practice from the corporate and public sectors and shall propose to the Governing Body for approval any changes that it considers necessary.

17. Other Matters

- The Committee is obliged to raise with the Governing Body any matter of concern it may have.
- The Committee should formally meet without staff present at least once a year. This can be part of a scheduled meeting.

18. Duties of the Committee

Duties in relation to Policies

1. Review policies that govern budgeting, reserves, investments, internal controls, and financial reporting.
2. Ensure relevant policies are aligned with the organisation's goals and meet legal & statutory requirements.
3. Make formal recommendations for approval of relevant policies to the Governing Body.
4. With the assistance of Internal Audit, if required, ensure policies are being implemented.

Duties in relation to Investments and Endowments

5. Help select qualified investment advisors or fund managers, if external professionals are used.
6. Regularly review investment reports to track returns and performance.
7. Ensure the organisation's investments are aligned with its goals, risk tolerance, and legal obligations.
8. Ensure that the conditions attached to RIAM Endowments are adhered to.
9. Review the relevance of the Endowments and make recommendations to the Governing Body on the winding-up of any Endowment if appropriate and sanctioned by the Charities Regulatory Authority.

Duties in relation to Remuneration & Pension

10. Periodically review the financial terms and conditions of staff in the organisation.
11. The Committee shall examine and review the financial aspects for new staff appointments or changes in terms and conditions and shall make recommendations to the Governing Body.
12. Ensure appropriate oversight that meets the defined benefit pension scheme's legal, financial, and regulatory requirements.
13. Advise the Governing Body in relation to the RIAM contributions to the defined benefit pension scheme.

Duties in relation to Financial Management, Reporting, Planning & Budgeting

14. Reviews and recommends to the Governing Body for approval the annual operating, capital budgets, cash flow forecasts and projected balance sheet.
15. Ensure that the reserves of the organisation are being managed in line with the reserve policy.
16. Ensures the budget aligns with the organisation's mission and strategic plan.
17. Monitor financial performance against the budget throughout the year and ensure corrective measures are taken if necessary.
18. Review multi-annual financial operating and capital plans to ensure realistic funding targets are in place.
19. Review funding strategies for major initiatives or capital projects.
20. Review the financial aspects of the acquisition, disposal and retirement of assets as per the limits set out in the Matters Reserved for the Governing Body.
21. Review and recommend the acceptance of trusteeship of any property, legacy, endowment, bequest or gift as per the limits set out in the Matters Reserved for the Governing Body.
22. Review significant expenditure items as per the limits set out in the Matters Reserved for the Governing Body.