



## Terms of Reference of the Finance, Audit & Risk Committee of the Dublin Food Co-operative Society Limited

As approved on 5<sup>th</sup> December 2018, and amended on the 13th April 2021.

### **Objectives**

The Finance, Audit and Risk Committee (“the Committee”) has been delegated specific and limited authority by the Board of the Dublin Food Co-operative Society Limited (“the Board”) to;

- Support the Board with the general financial oversight of the organisation;
- Support the Board with its financial planning and budgeting functions;
- Support the Board with its financial reporting functions;
- Support the Board with its risk management functions;
- Support the Board with engaging with the audit process;

The Board retains overall responsibility for all matters delegated to the Committee.

#### A. Membership:

1. The Committee shall have a minimum of [three] members appointed by the Board, at least one of whom shall already be a member of the Board.
2. The Board shall appoint a Committee Chair, who shall be a member of the society. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of

themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

3. The Secretary, or their nominee, shall be the secretary of the Committee.
4. Directors and officers who perform an executive function shall not be members of the Committee, but may attend on the request of the Committee.
5. There is no fixed term for Committee membership, and each member serves at the discretion of the board
6. A member may resign at any time by giving written notice to the Committee Chair.

B. Meetings, Notice and Quorum:

1. The Committee shall meet as often as it deems necessary for the discharge of its responsibilities. The Committee Chair shall report to the Board on its proceedings after each meeting.
2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
3. Unless otherwise agreed, notice 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, any other person required to attend and all other non-executive directors, no later than [three] working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.
4. The quorum for meetings shall be two members.
5. The Secretary, or their nominee, shall minute the meeting and circulate this for approval after the meeting. These minutes will be shared with the Board.

C. Annual General Meeting:

1. Each year the membership of the Committee will be displayed in the Annual Report and Accounts together with a statement about its activities and the process used for any appointments made.
2. The Committee Chair should attend the annual general meeting to answer any members questions on the Committee's activities

D. Decision-making:

1. Questions arising at any Committee meeting shall be decided by consensus, if possible.
2. Where a consensus cannot be attained, questions shall be decided by a majority of votes. Where there is an equality of votes, the Committee Chair shall have a second or casting vote. Votes shall be recorded in the minutes. Where decisions are unanimous, they shall

be recorded as such in the minutes. Dissensions and negative votes shall be documented in the minutes in terms acceptable to the dissenting person or negative voter.

E. Duties:

*Financial Policy and Reporting*

1. Review all financial policies prepared in collaboration with the financial controller and ensure financial compliance of the society accordingly.
2. Initially review the programme budget and annual budget before it is presented to the Board for approval.
3. The committee shall monitor the integrity of the financial statements of the society, including its annual and interim financial reports.
4. The committee will regularly review the organisation's financial position and advise the Board on significant financial reporting issues and judgements.
5. The committee will review actual/forecast income and expenditure throughout the year, and where appropriate, recommend corrective action to the Board.
6. The committee will give its opinion on all capital expenditure proposed by the society in excess of €1,000.

*Risk Management*

7. Keep under review the organisation's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.
8. Review and approve the statements to be included in the annual report concerning internal control, risk management and the viability statement.
9. Ensure that the risk register is reviewed on a regular basis

*Audit*

10. Consider and make recommendations to the board, to be put to members for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the organisation's auditor.
11. Oversee the selection procedure for the appointment of the audit firm, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process.
12. Meet regularly with the auditor in relation to the audit and the AGM process.
13. Review the findings of the audit with the auditor.

14. Review the management's response to the auditor's findings and recommendations.

Reporting Responsibilities;

15. The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed
16. The committee shall compile a report on its activities to be included in the organisation's annual report. The report should include an explanation of how the committee has addressed the effectiveness of the audit process and the significant issues that the committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor.

F. Authority:

The Committee is authorised to:

1. seek any information it requires from any employee of the co-operative in order to perform its duties;
2. obtain access to the necessary resources to exercise its duties, including access to the service of the Secretary for assistance as required;
3. invite any Director, senior manager or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives.

G. Other Matters:

The Committee shall:

1. have access to sufficient resources in order to carry out its duties, including access to staff working on company secretarial for assistance as required;
2. be provided with appropriate and timely training.

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Notes:



Sarah Toland

Acknowledgements:

25 April 2021

20 April 2021

These terms of reference have been prepared based on;

(i) Bank of Ireland plc – Group Nomination and Governance Committee  
Terms of Reference – October 2017

- (ii) ICSA - Guidance Note - Terms of Reference for an Audit Committee - March 2017
- (iii) ICSA - Guidance Note - Terms of Reference for a Nomination Committee - June 2013
- (iv) Carmichael - Guidance on Terms of Reference for Sub-Committees