



FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

PURPOSE

The Finance and Audit Committee (FAC) shall be a standing committee of the Board. The FAC oversees and guides the Institute's financial management strategies, serves as a conduit to and advises the Board of Trustees (Board) of the Institute's financial condition and performance, oversees the internal and external audit processes, and helps to ensure its financial soundness.

MEMBERSHIP

The Finance and Audit Committee shall consist of the following:

- Up to seven Board members appointed by the Board
- Board Chairperson as a non-voting ex-officio member

Committee members shall be nominated by the Governance and Nominating Committee (GNC) and appointed by the Board. One of the members will be appointed as the Chair of the Committee by the Board nominated by GNC. The members shall be appointed for a term of three years and renewed for once, provided that the duration of the Board membership has not completed. The Director General, the Deputy Director General for Finance and Operations, and Finance Staff may attend as resource staff. It is recommended that the Members of the Committee have experience in accounting, business, finance, budgeting or audit and be capable of reading and understanding the IVI's financial statements and audit reports. The Committee shall have access to its own counsel and other advisors at the Committee's sole discretion.

ROLE OF THE DIRECTOR GENERAL

The Director General has an important role in the activities and success of the Committee and should participate in Committee meetings. The Director General will assist the Finance and Audit Committee in the following ways, by:

- Providing training, information and other assistance to support and encourage the success of the Committee and its members.
- Presenting complete, accurate, reliable and timely financial statements, documents, information, analysis and assessments at the appropriate request of the Committee.
- Providing other resources, cooperation and support as needed by the Committee to perform its vital role and responsibilities.

RESPONSIBILITIES

The Finance and Audit Committee as a subcommittee of the Board is entrusted with the following responsibilities:

- Assist the Board in reviewing and monitoring the IVI's financial condition and performance

including results compared to budget, forecast, and prior periods.

- Serve in an advisory capacity to the Board on matters relating to the Institute's finances.
- Review and recommend to the Board actions on annual and long-term operating and capital financial strategies and forecasts.
- Review and monitor the financial policies and management strategies of the IVI, evaluating whether such policies and strategies are appropriate and administered in a sound and prudent manner consistent with the mission and strategic objectives of the IVI
- Review and recommend approval of the Institute's budget.
- Oversee that the Institute has retained the reliability and integrity of the accounting system, policies, financial reporting, and disclosure practices.
- Oversee that the management has maintained processes to ensure that an effective system of internal financial and administrative control is in place within the Institute.
- Review and recommend appointment of an internal (as determined to be needed annually) and external auditor, and approve an annual audit plan.
- If an internal auditor is appointed, that auditor will take instructions from the Chair of the FAC and report to the Board through the FAC.
- Review the audited financial statements and audit reports for each year, and make recommendations to the Board regarding the approval of the financial statements and audit reports, as appropriate in its report to the Board thereon.
- Review and approve on behalf of the Board the annual reporting and filing of IRS Form 990 and any other relevant tax forms as required of all public charity 501 (c) 3 organizations registered in the USA.
- Oversee the Institute's Enterprise Risk Management framework ensuring that risk is managed effectively across all areas.
- Conduct such other functions delegated by the Board.

PROCEDURES

- The FAC shall meet at least twice per year prior to the Board meetings telephonically or at the same location where Board meetings are held. Additional meetings shall be held if considered necessary by the Committee. The location of the additional meetings shall be decided by the Committee Chair in consultation with the Director General, taking into account the financial and environmental (reducing unnecessary travel/ green initiative) implications.
- The Secretary of the Board shall serve as Secretary of the FAC.
- In the event that no FAC meeting is held, the FAC Chair may request the Board to act on its behalf when it meets to review matters relating to administration, finance, budget, internal audit and external audits.
- The presence of a majority of the members of the Committee shall constitute a quorum. Decisions shall be taken by a majority of Committee members present and voting. Actions may also be taken by mail, email, teleconference or videoconference consultation at the discretion of the FC Chair.

- A Board member representing a government or an organization other than the Director General may delegate his or her authority as a Board member to a single subordinate, who shall be permitted to vote in any matter before Committee on behalf of the delegating Board member; provided that the delegating member shall inform the Committee Chair and Secretary of the delegation in writing prior to the meeting and that the Chair approves the delegation of authority. Such notice shall clearly state the duration of the delegation of authority.
- At the discretion of the FAC Chair, observers may be invited to participate in discussions in all open sessions or part of the meeting.
- All interim actions of the Committee shall be reported to the Board and are subject to ratification by the Board. Draft summary records of meetings shall first be distributed to the FAC Chair. Following clearance by the FAC Chair, they shall be distributed to all members of the Board. Formal adoption of the summary record shall take place at the subsequent meeting of the FAC.
- The agenda of each meeting may include an executive session attended only by Board members.

