



THE GLOBAL STANDARD
FOR LIVESTOCK DATA

TERMS OF REFERENCE FOR ICAR BOARD SUB-COMMITEE FOR ; FINANCE

Version: 1.3

Date: 18th January 2018 (Supercedes 1.2 15th August 2017)

Revised after November 30th 2017 ICAR Board and FSC 12th Jan 2018

Version 1.2 to 1.3 Changes Summary:

- Added Tax laws wording to 2(i)
- Added sentence re independence of Financial Inspectors to 3.1 b
- Added sentence re recommended numbers to be in FSC to 3.1 b
- Removed Table 1. Names of FSC Members from 3.1
- Removed 2a, b, e.f.g and i – these are CE duties not FSC duties
- Under 3.1 added reference to Annual FSC Meeting Calendar.

Network. Guidelines. Certification.



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1. Background

The purpose of this paper is to outline the terms of reference for the ICAR Board's Sub Committee for Finance

The following sections cover the key elements of the recommended new Terms of Reference for the ICAR Board's Sub Committee for Finance.

2. Objectives of the Sub Committee for Finance

The objectives of the Sub Committee for Finance are below.

Financial Goals;

- a. ~~Review the annual budget as prepared by the CE for presentation and approval by the ICAR Board.~~
- b. ~~Monitor adherence to the budget quarterly throughout the year.~~
- c. Along with CE review long-range financial goals along with funding strategies to achieve them.(For example, the creation of a working capital or cash reserve fund for the purpose of either improving existing services or developing new services to ICAR's members).

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- d. Make recommendations and or policies for presentation and adoption by the ICAR Board with respect to setting financial goals and proposals.

Reporting:

- ~~e. Ensure CE and staff adhere to agreed report formats.~~
- ~~f. Ensure CE and staff adhere to reporting, frequency and deadlines.~~
- ~~g. Present the financial reports to the full board.~~

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Internal Controls and Accountability

- h. Ensure policies and procedures for ICAR's financial transactions are documented (including all relevant tax laws) in Standard Operating Procedures (SOPs) and are maintained and updated as necessary.
- ~~i. Ensure approved CE and staff adhere to financial policies (including all relevant tax laws) and procedures are being followed.~~

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Audits;

- j. CE will ensure ICAR's Financial Inspectors have access to annual accounts.
- k. If and when required by the Sub Committee the CE will submit a proposal to this FSC and the ICAR Board to justify recruitment and selection of an External Auditor if it is deemed necessary.
- l. Review the Draft audit Report as presented by the auditor(s).
- m. Present the audit reports to the full board of directors (if the auditor does not do this).
- n. Review the management recommendation letter from the auditor and ensure CE and staff follow up on any issues mentioned.

Reserve & Investment:

- o. Define a 'Reserve' policy.
- p. Draft an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorisations for executing transactions, disposition of earned income, etc.
- q. Review the policy at least annually and update if necessary.
- r. Hire and evaluate the investment managers/advisors.

Risk:



- s. Finance Sub Committee, with the CE, will develop an ICAR **Financial Risk Register**.
- t. The Sub Committee will ensure that it engages with CE and staff in order to discuss and evaluate the effectiveness of strategies in place to mitigate this risk. It will reflect its conclusions in its periodic reports to the Board

3. Governance & Reporting

3.1 Committee Composition

The ICAR Boards' Sub Committee for Finance will be governed by the ICAR Board. The Sub Committee will be chaired by a suitable person as appointed by the President of ICAR.

Members will be comprised by Board members who cover some or all, depending on the level of interest and participation in ICAR activities, of the following interests:

- a. **Proven history of Financial and Operational Responsibility.**
- b. **ICAR's Financial Inspector(s)** (The ICAR Financial Inspectors role shall be so that they are always precluded from any discussion on the content of Financial Reports to avoid any potential conflict with their duties as auditors of the said year-end Financial Reports).

The recommended numbers to make up the Finance Sub Committee should be between five and seven members.

The President will review annually the make-up of the Finance Sub Committee and any changes as required, shall be recommended to the Board.

The Sub Committee, may from time to time, co-opt specialist and expert advice as required based on issue(s) at hand.

The Sub Committee shall meet at minimum twice per year (refer to each year's FSC Meeting Calendar for agreed meeting schedule for that year (Appendix 1. FSC Calendar) least quarterly.

The CE will act as Secretary to the Finance Sub Committee. Minutes will be circulated to all ICAR Board members.

Quorum for meeting will be 50% of the membership plus one.

Each member of the Sub Committee shall have one vote with the Chair having a second or casting vote as required.

Table 1. Members of ICAR Boards' Sub Committee for Finance (August 2017)

Role	Name
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Chair	Jay Mattison Neil Petreny
Member	Niels Henning Nilesen
Member	Laurent Journaux
Member (Inspector)	Neil Petreny
Member (Inspector)	Josef Kucera
Secretary (CE)	Martin Burke

3.2 CE, Secretariat & Reporting

Role of CE and Secretariat:

- a. **Business Meetings** – CE to agree dates and venues in consultation with Chairperson, provide notice of meetings to members, agree agenda with Chairperson, distribute agenda, take minutes, agree minutes with Chairperson,

and distribute minutes.

- b. **Group Composition** – Secretariat maintain list of Group members with up-to-date contact details, in consultation with Chairperson and ICAR Board.

3.3 Communications with the ICAR Board

Based on activity provide an Annual Report (at least) to the ICAR Board.

4. Priorities

Priorities are to be established by the Sub Committee taking account of its terms of reference and any requests from the ICAR Board.

That the priorities for Sub Committee for Finance in the next 2 years to include the following:

- a. Financial Reporting/ Budgets – Formats and monitoring SOPs – competed in 2017
- b. Develop and Investment strategy. – competed in 2017
- b. Develop Financial Risk Register for ICAR – To be reviewed/actioned in 2018.
- c. Develop and Investment strategy. – Others...?

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