



GCERF

Global Community Engagement
and Resilience Fund

**Governing Board
Decision by No Objection
20 January 2020**

DECISION

ED.01.20/DEC.01: The Board:

- a. approves the terms of reference of the Finance and Audit Committee attached as Annex 1 to ED.01.20/DEC.01; and
- b. requests the Chair to consult with Board members interested in joining the Finance and Audit Committee, and present a recommendation on the committee's membership for Board approval, using the no objection procedure set out in Article 2.9 of the Bylaws.

(signed) _____

Carol Bellamy
Chair

A. PURPOSE

The Finance and Audit Committee is a standing committee established by the Governing Board of the Global Community Engagement and Resilience Fund (the “Board”) to oversee and advise on matters related to finance such as financial risk and policy, financial planning, monitoring, and financial performance; audit; risk management and internal control, as well as human resources policies and frameworks.

B. MEMBERSHIP

- 1. Size.** The membership of the Finance and Audit Committee shall be composed of a minimum of three members and maximum of five members, including its Chair.
- 2. Appointment of Members.** The Board Chair shall ask the Board to seek candidates for members of the Finance and Audit Committee; members may be Board Members, Alternate Board Members, or other members of Board constituencies. The Board Chair shall propose the Finance and Audit Committee membership, including its Finance and Audit Committee Chair, to the Board for approval, using any appropriate decision-making mode including the no objection email process outlined in Article 2.9a of the Bylaws. To the extent possible, the membership should reflect the wide array of constituencies represented on the Board and seek gender-balanced representation.
- 3. Appointment of the Chair:** Members of the Board Finance and Audit shall elect a Chair for the Committee for a mandate of two years. The Members shall elect a new Chair after the expiration of the mandate or if the Chair resigns. The Chair may serve as Chair of Committee up to a maximum of two consecutive mandates. The Finance and Audit Committee Chair is barred from serving as Chair of another GCERF Board Committee.
- 4. Membership Term.** Committee members shall serve a term of two years, renewable, or until a successor has been appointed.
- 5. Vacancies.** A vacancy in the Finance and Audit Committee resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the original holder of that office or position was appointed or selected. Individuals selected or appointed to fill vacant positions shall hold such positions for the unexpired term of their predecessor.

- 6. Assessment.** Each Finance and Audit Committee member shall remain engaged and diligent in the performance of his/her responsibilities. Accordingly, each individual serving in such a role shall be subject to assessments by the Finance and Audit Committee Chair. If such assessments determine that the individual has not fulfilled his/her responsibilities, including, without limitation, failing to attend meetings and participate in discussions, the Finance and Audit Committee Chair may request the relevant constituency to put forward a permanent replacement to complete the individual's term or remove the constituency from the committee and seek a replacement for the vacant committee seat in accordance with these terms of reference.

C. SKILL AND KNOWLEDGE

The Finance and Audit Committee members shall possess a good understanding of GCERF, its mission and architecture, as well as financial management, risk management and systems of internal control, and audit.

D. ROLES AND RESPONSIBILITIES

The Finance and Audit Committee has the following roles and responsibilities delegated by the Board.

Advisory and Oversight Functions

The Committee shall advise and make recommendations to the Board, performing the following functions:

Finance

- a. endorse the annual Revenue and Expense Budget, before it is presented to the Board for approval;
- b. endorse the adoption of and/or modifications to all finance policies and decisions related to funding, grant making and all other required areas of financial management, before they are presented to the Board for approval;

Audit (internal and external)

- c. endorse the audited annual financial statements, before they are presented to the Board for approval;

- d. select and recommend the appointment of External Auditor to the Board;

Risk Management and Control

- e. endorse the design and effectiveness of the Internal Control Framework, before it is presented to the Board for approval;
- f. advise the Board on appropriate levels of risk tolerance;

Human Resources

- g. endorse proposed modifications to Board-approved human resources policies and decisions, before they are presented to the Board for approval.

E. MEETINGS

1. Frequency. The Finance and Audit Committee may meet as needed, at least twice a year, always once at least four weeks before GCERF Board Meeting.

2. Modes. At the discretion of the Finance and Audit Committee Chair, they may be held face-to-face, by video conference, or by any other electronic communication medium that allows a committee member to follow and contribute to meeting discussions as they occur in real time. The Finance and Audit Committee Chair shall decide on the medium used for each meeting.

3. Notice. Notice of Finance and Audit Committee meetings shall be provided at least ten calendar days prior to the start of the meeting. Under exceptional circumstances, the Chair of the Finance and Audit Committee, in agreement with the Chair of the Governing Board, may call an emergency meeting. Notice of the Finance and Audit Committee emergency meeting shall be provided at least two calendar days prior to the start of the meeting.

4. Quorum. The Finance and Audit Committee may conduct business only when its Chair and a majority of committee members are present.

5. Secretariat Attendance. The Secretariat will appoint a qualified individual from the Secretariat to be a focal point for the Committee who will provide assistance and support to the work of the Committee. Attendance at meetings by other Secretariat members shall be decided by the Executive Director, including herself or himself, in consultation with Finance and Audit Committee.

6. Access to Staff and Documentation. The members have unrestricted access to management, employees, and relevant information

7. External Expertise: The Chair of the Finance and Audit Committee, in agreement with the Chair of the Governing Board, has the authority to request that the Secretariat contracts consultants with the necessary technical expertise to advise the committee.

8. Delivery of Meeting Materials. The Secretariat shall distribute meeting materials to ensure receipt by committee members at least one week in advance of the start of the meeting.

F. DECISION-MAKING

The Finance and Audit Committee Chair shall make best efforts to ensure that the committee reaches all decisions by consensus. If the Finance and Audit Committee Chair believes there is a clear consensus, he or she shall restate the decision/recommendation and declare that the committee has reached consensus. If the Finance and Audit Committee Chair believes the debate is too close to reach a consensus, he or she may decide to defer the matter to a later date. The Finance and Audit Committee Chair will use all practical efforts to achieve a consensus by encouraging amendments that meet the concerns of all sides of the debate. If the Finance and Audit Committee Chair believes that a consensus cannot be reached, majority and minority positions shall be reported to the Board for a decision as appropriate.

G. REPORTING TO THE BOARD

The Finance and Audit Committee Chair shall report on the activities and decisions of the Finance and Audit Committee at each of the face-to-face meetings of the Board.

H. APPLICATION OF ETHICS POLICY TO COMMITTEE MEMBERS

Finance and Audit Committee members are subject to the Ethics Policy. Should a matter arise on the agenda of the Finance and Audit Committee that involves one of its members, the Finance and Audit Committee Chair shall determine whether such member shall be excluded from the discussion of the matter. If a matter arises on the agenda of the Finance and Audit Committee that involves the Finance and Audit Committee Chair, the Board Chair shall determine if the Finance and Audit Committee Chair shall be excluded from the discussion of the matter and, if so, the Board Chair shall chair the agenda item without the presence of the Finance and Audit Committee Chair.

I. AMENDMENT

This document may be amended upon approval by the Board.