

Clarity Singapore Limited Finance Committee Terms of Reference

Objective

The objective of the Finance Committee (“Committee”) is to provide guidance on all matters relating to the financial affairs of the organisation encompassing the areas of strategic financial planning, resource management, financial monitoring and policy related issues and to provide timely advice to the Board on areas within its remit.

Composition of Committee

The Committee shall consist of at least 3 members, majority of whom shall be members of the Board. The Board will appoint the Chairperson and members of the Committee. Committee members will be appointed for a two-year term and re-appointment will be approved by the Board giving consideration to the need for continuity and periodic rotation of Committee members. The Chairperson of the Committee shall be a member of the Board. The Chairperson of the Committee shall serve a maximum of two terms and shall not concurrently chair the Audit Committee.

Members must conduct themselves with integrity, act in the best interest of Clarity Singapore and ensure confidentiality of information.

Duties and responsibilities:

1. To review annual budgets initially prepared by management and ensure consistency between the budget and the organisation's plans.
2. To ensure regular and accurate monitoring and accountability of funds and report to the Board on any financial irregularities and concerns.
3. To recommend financial guidelines to the Board (such as to establish a reserve fund).
4. To ensure that Clarity maintains the amount of reserves in accordance to its Reserve Policy stated in the Finance Manual.
5. To work with staff to design financial reports and ensure that reports are accurate and timely.
6. To oversee short and long-term investments (including placing of funds in Fixed Deposits) unless there is a separate Investment Committee.
7. To advise the Executive Director and other appropriate staff on financial priorities and information systems relating to accounts.
8. To keep Clarity’s Financial Manual up to date and conduct a formal review of the Finance Manual at least once every 2 years or when necessary. This encompasses documented procedures for financial matters including but not limited to, procurement, receipt, payment, delegation of authority and limits of approval.
9. The Chairperson (or a member nominated by the Chairperson) of the Finance Committee shall review the monthly bank reconciliation statement.

Review of Terms of Reference

The Terms of Reference for this Committee shall be reviewed every two years to ensure its necessity and relevance. The Committee shall recommend amendments to the Terms of Reference to the Board as necessary.