

## Finance Committee of the CGIAR Executive Council

### Terms of Reference

At its 2001 Annual General Meeting (AGM01) the CGIAR decided that its Executive Council (ExCo) should be supported by a Program Committee (PC) and a Finance Committee (FC).

The Finance Committee's overall purpose is **to facilitate ExCo's business by providing specialized and focused attention to CGIAR's financial matters, including advice and recommendations for managing the Group's finances efficiently.** FC will report to the ExCo.

The ExCo will ensure that the findings and recommendations of FC are aligned with actions and recommendations of other System components such as the Science Council, the Centers and the ExCo Program Committee.

### *Responsibilities*

Assist ExCo in:

1. ensuring (in cooperation with PC) that due care and diligence are exercised in the operations of the CGIAR and the Centers through a set of policies and instruments, including decision making processes, that are conducive to an effective and efficient operation; when warranted, propose to ExCo changes in existing policies and instruments;
2. considering and making recommendations on CGIAR financial policies and procedures, including such issues as: types of funding; practices regarding auditing, cost structures, indirect costs, Center financial management and control; procedures governing the administration of financial flows to centers, and overheads;
3. following-up to the findings of CGIAR-commissioned evaluations of Centers and CPs, monitoring their implementation and recommending action that should be taken, if any;
4. commissioning management or financial reviews of Centers or CPs at the Request of ExCo and in cooperation with the PC;
5. providing oversight of the System's long term financial planning and associated resource mobilization efforts:
6. carrying out any other activities requested by the ExCo.

### *Composition*

The FC will consist of eight members, including the committee's Chair. Membership will rotate every two years. The representative of the leading provider of funds to the regular budget of the CGIAR will serve as FC Chair. Each FC will select one of its members as Vice Chair to serve for two years.

At least five of the FC members would come from within ExCo. FC members would be appointed as follows:

1. Members of ExCo would be asked to indicate their own interest to serve on FC and nominate others from the CGIAR membership;
2. Taking into account the nominations and the need for diversity and balanced representation, the CGIAR Chairman would propose a committee for endorsement by the ExCo.
3. The Chairman would then propose the ExCo-endorsed committee for approval by the CGIAR.

FC members are expected to inform the committee of any conflict of interest concerning any matters considered by the FC, and to recuse themselves from discussions or decisions pertaining to all matters in which they have a direct or indirect interest.

The CGIAR Director will nominate a member of the CGIAR Secretariat to serve as the FC Secretary.

#### *Procedures*

1. The FC will meet at least once a year, in conjunction with ExCo meetings. The quorum for such meetings will be five (5).
2. All other FC business may be transacted, as appropriate, through electronic communication, with the support of the System Office/CGIAR Secretariat.
3. To ensure transparency, the FC will utilize the CGIAR web site to seek and share views with CGIAR shareholders and stakeholders.
4. The FC will submit a report, following each of its meetings, containing its findings and recommendations for consideration by the ExCo. Each such report will be posted on the CGIAR web site.

#### *Expected Outputs (examples)*

1. Assessment of the implementation of CGIAR's financial guidelines
2. Review of the CGIAR Annual Financial Report