

TERMS OF REFERENCE OF THE FINANCE COMMITTEE

Approved by the Board of Governors on 6 May 2002, amended on 28 April 2004, on 29 November 2004, on 3 May 2005, on 13 November 2005, on 26 April 2006 and on 17 April 2008

1. Purpose

The finance committee of the IB Board of Governors provides oversight and expert advice to the Board on the financial planning and management of the IB in accordance with Article V.2 of the Act of Foundation.

Specifically, the finance committee's role is

- 1.1 To formulate strategy for the financial strength of the IB including reserves, budget and financial risk policies and strategy relating to fees paid by schools.
- 1.2 to recommend to the Board the annual budget for income, recurrent expenditure and capital expenditure
- 1.3 to monitor financial management of the activities of the IB including performance indicators and other reporting requirements
- 1.4 to have oversight of cash, borrowing and investment management
- 1.5 to have oversight of the management of the intellectual property, property and other assets of the IB
- 1.6 to advise the Board and the director general as appropriate on the business and financial policies of the IB
- 1.7 to establish policies, regulations, and processes for maintaining high standards of financial probity throughout the IB and for providing assurance to the Board that the IB is complying with all matters necessary to fulfil its obligations at law.

2. Membership

2.1 The finance committee shall comprise the following members, all voting:

- The treasurer of the Board (chair, *ex officio*)
- The chair of the Board (*ex officio*)
- The chair of the heads council (*ex officio*)
- The chair of the IBNA Board (*ex officio*) or the treasurer of IBNA (*ex officio*), nominated by the IBNA Board (*to be changed at the time of the merger expected for April 2008*)*
- Two other members of the Board of Governors
- At least one and not more than three persons with appropriate financial expertise not being a member of the Board.
- One of the above voting members of the Board shall also be a member of the education committee.

- 2.2 The following IB staff attend meetings except if the finance committee goes into executive session:
- The director general
 - The chief financial officer
- 2.3 The chair of the finance committee shall be the treasurer of the Board.

3. Additional rules of procedure

- 3.1 The chair of the finance committee and the chair of the audit committee will keep each other informed of any issues of relevance to the functions of those committees that arise and relate to reporting obligations to the Board.
- 3.2 The Board has delegated the following matters to the finance committee:
- Approve opening of new bank accounts
 - Approve authorized signatories for cheque signing.

April 2008