

Draft Finance Committee Terms of Reference

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1. Background

The Finance Committee's mandate was agreed by the Board in March 2010 through Board circular 67 and slightly modified by the 2013-2016 EITI Board through Board paper 24-5. Its mandate is to advise the EITI Board on strategic issues relating to the financing of the EITI International Management (Board and Secretariat). This includes advising on securing funding to the levels agreed by the EITI Board when approving EITI Secretariat workplans and budgets, financial reporting, investment of liquidity, approving levels and use of the reserve fund, and oversight of financial operations in general. In 2016, it will review the funding principles adopted by the Board and seek to establish a new funding model. The Committee is also tasked with monitoring and reviewing the EITI's expenditure.

The role of the Committee should be distinguished from that of the Audit Committee whose role is to undertake the formal role of control and oversight of the audited EITI accounts. The role of the Finance Committee, on the other hand, is predominantly policy focused.

2. Responsibilities

With support from the EITI International Secretariat, the Finance Committee shall:

1. advise the EITI Board on strategic issues relating to the financing of the EITI International Management (Board and Secretariat). This includes advising on the securing of funding to the levels agreed by the EITI Board when approving EITI Secretariat work plans and

budgets, financial reporting, investment of liquidity and accepting of financial operations. In 2016, it will review the funding principles adopted by the Board.

2. monitor and review the EITI's expenditure, including ensuring that it understands what the Secretariat uses its funds for, whether the Secretariat has appropriate decision-making processes for taking decisions with financial implications and whether it considers that the Secretariat makes effective and appropriate use of its funding within its budget.

3. Committee composition

The Committee was established through [Board Circular 278](#). The members are:

Countries

Mike Toyryla

Companies

Mr Dominic Emery

Civil society

Mr Oleksiy Orlovsky

Mr Oscar Pineda

The Finance Committee is expected to agree to appoint a chair in its first meetings.

4. Committee policy on observers and quorum

The Committee follows the [EITI observer policy for EITI Committees](#) as approved on January 2018. Stakeholders interested in observing committee meetings will find information on upcoming meetings at <https://eiti.org/board-committees#finance-committee>.

The Committee also follows the Board's policy on quorum for committees as established at its meeting in Jakarta in 2011 and reaffirmed in 2014: For a meeting to be considered quorate, each constituency should have at least one member present and there should be at least one member from implementing countries. If a meeting is not quorate, decisions may be taken by correspondence on a no-objection basis following the circulation of meeting minutes.

5. Committee papers and procedures

The Committee will be supported by the EITI International Secretariat to fulfil its Terms of Reference. This support will include drafting agenda, papers and minutes for consideration by the Committee. The documentation will be made regularly available through the Implementation Committee pages on EITI's internal website (<https://eiti.org/internal/finance-committee>).

The Committee follows the Board-endorsed "Good practices for committee calls", available on

pages 11 and 12 of the [EITI Board manual](#), including deadlines for the submission of papers and individual responsibilities of Committee members.

The Committee follows the [EITI's Openness policy](#). Committee members should be judicious in their sharing of the internal working documents of the committee, which are not considered public in accordance with provision 4 of the EITI Openness policy.

Members of the Implementation Committee are expected to familiarise themselves with – and abide by – the [EITI Association code of conduct](#).