



OCCAR Management Procedure

Title:	<u>Finance Committee Terms of Reference</u>	
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Record of changes

Date	Issue	Changes
19/05/05	1.1	Incorporation of OCCAR Finance Committee Terms of Reference - issue 2 of 5 November 2003, as annex to the OMP 3. Amendments to paragraph 2, paragraph 6 and the annex. Editorial changes
08/09/06	2	Additional reference to OMP 10, under the second bullet of paragraph 5 "tasks" - Converted to the OCCAR-EA graphical house style.
10/06/14	3	Overall structure modification and major revision taking into account all stakeholder inputs.
11/12/20	4	Update following the EC audit report regarding "Internal Controls" within OCCAR.

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List of acronyms/definitions/explanations

BoA	Board of Auditors
BoS	Board of Supervisors
FC	Finance Committee
FTPC	Future Tasks and Policy Committee
OMP	OCCAR Management Procedure(s)
SC	Security Committee
ToR	Terms of Reference

1. General

The Finance Committee (FC) is established¹ by the OCCAR Board of Supervisors (BoS). The primary purpose of the FC is to advise the BoS on financial matters relating to the operation of OCCAR and decide on any matter delegated to it.

2. Appointment and Membership

The FC comprise one nominated representative from each Member State. Each Member State has the authority to appoint or remove its representatives. By nominating their representative, the Member State should ensure a "cooling off period" of at least one year for previous OCCAR-EA staff members before joining the Committee.

The BoS representative of each Member State shall appoint their FC representative. Such appointment shall be issued in writing and provided to the other representatives and to OCCAR-EA. OCCAR-EA will act as the depository of such appointments.

The representatives from each Member State are nominated for a renewable period of three years.

In order to perform their role effectively, each representative should obtain an understanding of the detailed responsibilities of FC membership as well as the OCCAR business, operations, financial and regulatory environment. This includes an appropriate background, technical capacity and objectivity to provide adequate oversight.

Representatives in the FC will be granted and delegated all authority necessary to perform their functions as detailed in these ToRs.

3. Attendees

In addition to the members of the FC, standing attendees shall be the:

- Director and/or Deputy Director of OCCAR-EA;
- Head of Finance Division;
- Head of Internal Audit Office.

Other staff from Member States and OCCAR-EA may also be invited to attend meetings.

4. Chairperson

Based on a proposal of the FC, the BoS appoints the chairperson of the FC for a period of one year. This term may be renewed only once consecutively taking into account that the chairperson of the BoS and the chairperson of the FC must come from different Member States.

The role of the chairperson is to organise and prepare the work of the FC, to chair its meetings, to record its decisions and to keep it informed of the action by OCCAR-EA following these decisions.

Nevertheless, the chairperson must account to the FC for the actions undertaken on its behalf.

¹ In accordance with Articles 12 and 17 of the OCCAR Convention.

5. **Tasks**

Within the authorities delegated to it by the BoS, the FC is responsible for:

- Monitoring the operation and effectiveness of OCCAR-EA's financial management, especially:
 - Making recommendations to the BoS on financial management and related risks;
 - Providing oversight and screen the financial elements of the annual Business Plan;
 - Advising the BoS on budget proposals submitted by the OCCAR-EA Director.
- Deciding on matters delegated by the BoS (in accordance with OMP 10);
- Analysing BoA reports relating to the annual audit of the OCCAR Financial Statements and endorsing the OCCAR-EA proposed action plan, where applicable;
- Ensuring that the FTPC is informed on the findings of the annual audit of the OCCAR Financial Statements and the status of the corresponding action plan;
- Proposing to the BoS the general policies on all financial matters such as:
 - Financial Rules, Procedures and documents at BoS level and ensuring that the associated accounting and operating instructions are consistent with them; and
 - Financial policy, estimating and budgeting (short, medium and long-term forecasts), accounting and payments, financial control and reporting, and sharing of contributions.
- Acting as a forum for exchanging information on financial matters and learning from experience;
- Providing guidance and advice to OCCAR-EA on the consideration and implementation of financial issues;
- Arranging national expertise to assist OCCAR-EA on specific matters (e.g. taxation, accounting or forecasting methodologies).

6. **Decisions taken by the FC must be unanimous; if unanimity is not found then the issue must be referred to the BoS.** **Discharge of Functions**

6.1 Meetings

The chairperson determines a rolling programme of ordinary meetings of the FC, which must provide for at least two ordinary meetings in each calendar year.

Additional meetings can be called at the request of the chairperson.

6.2 Secretariat

OCCAR-EA Central Office provides the secretariat services.

The secretariat assist the chairperson in the fulfilment of every activity related to the meetings, including:

- Invitations;

- Agendas;
- Briefing material;
- Decision Sheet;
- Action List.

6.3 Decision Sheet

The FC keeps decision sheets of its proceedings and makes these available to the BoS, FTPC, SC, BoA and OCCAR-EA.

Draft decision sheets are prepared by the secretariat. The decision sheets are approved and signed by the FC members at the end of the meeting. The secretariat archives the decision sheets as well as all reports and documents, which were discussed.

6.4 Location

The meetings of the FC normally take place in OCCAR-EA Central Office.

6.5 Languages

The official languages of OCCAR shall apply, although the working language to be used for FC matters is usually English.