

## **Financial Advisory Committee**

### **Terms of Reference**

#### **Purpose**

The purpose of the Financial Advisory Committee (the “FAC”) is to assist the Executive Board (the “Board”) in fulfilling its obligations and oversight responsibilities relating to financial planning and financial reporting by advising on these matters.

The FAC is a sub-committee of the Executive Board. The FAC is charged with monitoring the financial health of the WSAVA. It will have an opinion on how its assets are protected, its resources are used responsibly, and that the association complies with all applicable laws and reporting requirements.

The FAC will report and make recommendations to the board as needed, in writing, and to the general assembly yearly.

#### **Responsibilities**

The FAC will have the following responsibilities, and any other responsibilities reasonably related to its purposes and assigned by the Board from time to time:

1. Assist the Treasurer in periodic analysis of budget expenditures.
2. Review and recommend for approval to the Board the annual operating budget of the association and the high-level forecast for subsequent year(s).
3. Advise the Board on any budget matter pertaining to the financial stability of the organization.
4. Advise the Board on any new expenses that exceed, in part or in total, \$50,000 USD per annum.
5. Advise the Board on all financial policies and recommend additional financial policies when appropriate.
6. Advise the Board on an appropriate reserves policy for the association.
7. Recommend to the Board when it is advisable to utilize reserve funds.

8. Review and recommend investment policies to the Board and monitor their implementation to ensure that they achieve the desired objectives.
9. To report to the board whether the associations financial management follows applicable laws, regulations, standards, and best practice guidelines.
10. Review the financial statements that are prepared for the General Assembly and provide feedback to the Board on their appropriateness and transparency for members.
11. Advise the Board on financial decisions such as changes in membership dues, alternative sources of income with a view to diversifying the association's income streams, and others that may affect financial stability of WSAVA and are requested by the board from time to time.
12. To submit a budget for any FAC expenditure for the next year by end of October each preceding year.
13. To report on the health of finances and financial reporting to the general assembly once yearly. This report shall be written after the FAC meeting that precedes each general assembly, and a copy of this report shall be sent to the Board and Executive Director the evening before the general assembly. This is for information only; the report does not need EB approval. It will be read out to the assembly and included in the minutes.

## Meeting Schedule

The FAC will meet at least according to the following schedule:

<b>When</b>	<b>Minimum Expected Business</b>
February	to review the previous year's full year unaudited financial statements
March / April	to receive the draft of the auditor's report
May	to review the financial reports of Q1 (current year)
August	to review the financial reports of Q2 (current year)
Prior to World Congress	to discuss and agree the FACs focus areas for the year(s) ahead, and develop the FACs report to the General Assembly
November	to review the financial reports of Q3 (current year) and review the proposed budget for the upcoming year

Other meetings may be held as needed, either by request of the treasurer or any two committee members. It is expected that the only in person meeting of the FAC will be the meeting held immediately before the General Assembly.

Minutes of each meeting must be kept and are the responsibility of committee members. Minutes will be shared with the Treasurer and Executive Director within a week of the meeting. The Treasurer is responsible for reporting these minutes to the Executive Board.

## **Access to Reports & Data**

The FAC will receive copies of the following reports monthly. The Treasurer is responsible for distributing them to the FAC:

- Balance sheet
- Profit and Loss breakdown
- Budget vs actual

In advance of all meetings where future budgets or audited financials are presented, the following reports will be provided ahead of the meeting:

- Unaudited year financials
- Draft audit report
- Preliminary budget for the following year
- Overall budget forecast spanning more than one year.

## **Membership of the FAC**

- The FAC will be composed of a minimum of three voting members.
- Members should have knowledge and / or experience of interpreting financial statements. Ideally, members will have a qualification or training in finance, accounting or business management, such as an MBA (highly desired).
- Consideration will be given to region representation on the committee, but this is not essential.
- The Treasurer attends all meetings in a non-voting capacity. The Executive Director will attend all meetings in an advisory capacity.
- All members of FAC must agree to a confidentiality agreement as well as the usual conflict of interest declarations and WSAVA code of conduct.
- Member selection must comply with the Nominations and Selection Process for Membership of WSAVA Committees, Working Groups and Specialist Committees.

- Member tenure of committees shall be 3 years with the ability to renew once for another 3-year term (maximum of 6 years). Renewal of membership tenure is to be automatic after authorization by the rest of the committee (via a secret ballot), or unless the member elects to step down.
- In the case of new committee formation, member tenures must be staggered to ensure that all members do not stand down from the committee at the same time. Terms must not be longer than 3 years (with the ability to renew once as per above).
- Members shall sit on no more than two committees at any one time, however if there is a need for specialized knowledge, members may sit on a committee in a temporary advisory capacity. This membership stipulation may also be waived in special circumstances, after review by the Membership and Nomination Committee and the Executive Board.
- Chairpersons of committees shall be chosen from within the committee and do not require ratification by the Assembly, as they have already been selected via the Nomination and Selection Process for Membership of WSAVA Committees, Working Groups and Specialty Committees SOP. If no Chairperson is available from within the committee, then selection will be via open nominations.
- Chairpersons of committees shall ideally have served on the committee for at least 2 years. This stipulation can be waived in special circumstances after examination by the Membership and Nominations Committee and Executive Board. Chairpersons shall hold the position for a maximum of 3 years, to be voted in each year by the rest of the committee.
- For an interim period of up to and including the General Assembly 2024, the Treasurer will chair all meetings of the FAC. After this the committee will choose a chair in line with the usual chair appointment process.
- If a committee member is not performing their duties (refer to the Nominations and Selection Process for Membership of WSAVA Committees, Working Groups and Specialty Committees) to the satisfaction of the Chair and the rest of the committee, the procedure to address this issue is:
  - a) An informal discussion is to be held with the committee member by the Chair, as to the reasons for the underperformance. In the case of underperformance by the Chair of a committee, this discussion will be held with an EB member.
  - b) If the matter cannot be resolved via the informal discussion, then a Letter of Warning will be sent from the Membership & Nomination Committee to the committee member, advising that the Committee is unhappy with the level of engagement and will ask for the committee member to discuss this issue. The member will be advised they have 14 days to respond to the Letter of Warning.

- c) If there is no response to the Letter of Warning, then a second reminder letter is to be sent to the committee member with another 14-day deadline for a response.
- d) If there is still no response from the committee member, the Membership & Nomination Committee will advise the member of their immediate removal from the committee.

### **Obligations of the FAC**

- At least one member of a committee must be present at committee events held at Congress.
- If a face-to-face meeting is needed by a committee, then Congress is the preferred venue for this meeting.