

JAMAICA CIVIL AVIATION AUTHORITY

**FINANCE COMMITTEE CHARTER**  
(COVERING ACCOUNTING & INVESTMENT)

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### Revision History

The following table details the revision history of this Charter.

Version	Date	Summary of Changes
1	August 2016	INITIALLY APPROVED CONTENTS
2	May 2018	TO SPECIFY FINANCIAL RISKS; COMPOSITION AND QUORUM

### POLICY STATEMENT

The Board Members of the Authority have a fiduciary responsibility for the legality, efficacy and appropriateness of the Authority's finances and accounting practices as well as determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Finance Committee covering Accounting, Investment & **Financial** Risk Management (herein referred to as "the Committee") assists the Board of the Authority in ensuring that this fiduciary obligation is met by examining in detail all the **financial risk** management reports and information concerning the Authority and its subsidiaries.

The objective of the Committee is to provide oversight of senior management's activities in managing the Authority's financial affairs and the risks associated with managing the Authority – whether external, corporate/strategic, financial or operational **financial** risks. The committee has the responsibility to keep the Board informed of the financial status of the Authority, the key risk being faced and how these risks are being managed.

The Director General is responsible for implementing the fiscal, risk management and other operating policies adopted by the Board. The Director of Finance ensures that the finances of the Authority are recorded in the financial system in conformance with the International Financial Reporting Standards.

This includes oversight of the financial operations and policies of the wholly-owned subsidiary Aeronautical Telecommunications Limited ('Aerotel').

The Committee is responsible for ensuring that the management of the Authority adheres to the Authority's Investment Policy. The Investment Policy applies to all investment resources within or coming into possession of the Authority and for which the Authority has direct control, whether physical, real, in assets and equipment, monetary or otherwise.

The Committee is entrusted with oversight responsibilities for the financial management of the Authority and should ensure that there are appropriate processes in place to ensure that the financial affairs of the Authority are being managed efficiently while mitigating the risks inherent in conducting the Authority's businesses.

## **DUTIES AND RESPONSIBILITIES – FINANCE**

The Committee oversees the finances of the Authority, supervises financial reporting and reviews, reports and makes recommendations on the following:

- The monthly financial statements.
- The annual and revised budgets and presents them to the Board, making specific recommendations to the Board on its adoption, including where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of proposed funding levels of programmes, and adequacy of provision for reserves.
- Undertake a review, at least annually, of the long-range financial objectives of the Authority and their ability to sustain the Authority and the accomplishment of its stated mission and programmes. Report to the Board annually on such objectives, including recommendations for revision as appropriate.
- In consultation with the Board, establish such budget tracking and reporting standards as are appropriate to the needs of the Committee and the Board.
- The annual audited and Consolidated financial statements and make recommendation to the Board for approval.
- The insurance policies ensuring that adequate coverage is in place
- The management letter and management responses
- Scope of the audit and the appointment of the external Auditors
- Adoption, review, revision and oversight of finance policies to the Board – including signing and approval limits (cheque, expenditures, procurement), staff loan policy, donations under corporate social responsibility, disclosures and reporting, credit
- Monitoring and recommending procurement and implementation of systems employed by Accounting and Finance – accounting, billing, monitoring, payments,



## DUTIES AND RESPONSIBILITIES — INVESTMENT

Investment is defined as the use of capital to generate future monetary and economic benefits.

The primary duty is to ensure that the investment activities of the Authority are carried out in conformity with the goals and objectives of the Authority and that the investment portfolio is structured to preserve capital and liquidity and attain optimal levels of current income and rate of return throughout budgetary cycles, while meeting GOJ requirements:

- Review the Investment Policy
- Review the performance of investments in marketable securities, development projects and on-going business operations
- Consider new financial institutions which can provide investment services to the organization
- Consider the options such as equity and joint ventures available for investments in development projects
- Recommend the appropriate debt instruments to be used to fund developments
- Review the financial statements of the subsidiaries and assess the viability of the companies, making recommendations to the Board accordingly
- Review the investment portfolio, ensuring that the Authority is not investing 25% or more of its funds in any one institution
- Review and recommend to the Board on matters pertaining to major investments, acquisitions, contracts, or similar transactions and the policies and processes of the company related thereto.

## DUTIES AND RESPONSIBILITIES — FINANCIAL & ECONOMIC RISK

The Committee should carry out the duties below for the Authority, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:

- Advise the Board on the Authority's overall **financial** risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments such as those published by the Bank of Jamaica and other authoritative sources that may be relevant for the Authority's **financial** risk policies.
- Keep under review the effectiveness of the Authority's internal financial controls
- Review the Authority's procedures for detecting fraud and such monetary breaches.

- Review the Authority's procedures for the prevention of bribery.

## **MEMBERSHIP**

Members of the committee shall be such numbers of the Authority as agreed by the Board, together with the Director General, the Deputy Director General Administration and Services and the Director of Finance; and such other person or persons as the Board may appoint. At least two members of the Committee shall have relevant financial, investment, and **financial** risk management experience.

External persons may also be co-opted by the Committee, upon written approval by the Board, from time to time but these persons as well as internal resource persons have no voting rights.

Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chairman of the Board, other Board Members, Deputy Directors General, Accounting, Payroll and Budgeting Managers, Risk Manager if any and other representatives of the risk and internal and external auditing functions may be invited to attend all or part of any meeting as and when appropriate and necessary.

Appointments to the Committee shall be for a period agreed to **by the Chairman and Board** Members, which may be extended for further **agreed** periods, provided the Board Members still **meet** the criteria for membership of the Board. Members that are absent for more than three (3) consecutive meetings without proper notification will have their membership reviewed.

The Board shall appoint the Committee Chairman who shall be a Board Member. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Where deemed appropriate by the Chairman of the Committee, decisions may be made by way of a round robin resolution subject to ratification at the next meeting of the Committee.

## **SECRETARY**

The Secretariat shall act as the secretary of the Committee.

## **QUORUM**

The quorum necessary for the transaction of business shall be a simple majority of the Board Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. Every effort should be made to have decisions by consensus.



## **FREQUENCY OF MEETINGS**

The Committee shall meet every month, at appropriate times and otherwise as required.

## **NOTICE OF MEETINGS**

Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members if he or she considers it necessary. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all relevant management, no later than three working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

## **MINUTES OF MEETINGS**

The Secretariat shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to the Board unless otherwise directed by the Board.

## **REPORTING RESPONSIBILITIES**

The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall produce a report of its activities and support the Board Committee responsible for overall Risk Management for inclusion in the annual report. The committee will also review and approve the statements to be included in the annual report concerning internal financial controls and risk management.

## **OTHER MATTERS**

### **The Committee shall:**

Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all Members.

Give due consideration to laws and regulations and any other applicable rules and government guidelines, as appropriate.

Oversee any investigation of activities which are within its terms of reference.

Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

## **AUTHORITY**

### **The Committee is authorized to:**

Seek any information it requires from any employee of the Authority in order to perform its duties.

Obtain, at the Authority's expense, outside legal or other professional advice on any matter within its terms of reference.

Call any employee to be questioned at a meeting of the Committee as and when required.

## **RESOURCE MATERIAL**

In carrying out its functions, the Committee shall have regard to the following materials, inter alia:

- The Authority's Financial, Investment, Credit, Collections, and Asset Management Policies and Guidelines;
- Civil Aviation Act;
- Financial Administration and Audit Act;
- Public Bodies Management & Accountability Act;

- International Financial Reporting Standards;
- Government of Jamaica Regulations, Circulars and Guidelines.
- Companies Act of Jamaica;
- Relevant instruments and policies of AEROTEL


### ADOPTION & AUTHENTICATION

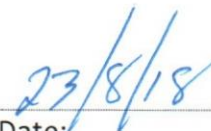
This Charter has been adopted as revised by the Members of the Jamaica Civil Aviation Authority and is intended to assist the Finance Committee in the exercise of its assigned responsibilities. It is reiterated that these principles and policies are in addition to and are not intended to change the applicability of, nor interpretation of any Law or GOJ requirements and guidelines.

The Board of Members will review this Charter at least annually and or, where appropriate, revise, adjust or amend same from time to time.

This version has been adopted by the Board at its meeting held at 4 Winchester Road, Kingston 10, on May 29, 2018 and the signature of the Chairman of the Jamaica Civil Aviation Authority signifies such approval for effectiveness.

CHAIRMAN's SIGNATURE:

  
Chairman: PHILLIP HENRIQUES

  
Date: