

## **Finance, Audit and Risk Committee– Draft Terms of Reference**

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**1** The Finance, Audit and Risk Committee is appointed by the Board of the Fundraising Regulator. The Committee is subject to the direction of the Board, in accordance with the following rules, as amended or replaced by the Board from time to time.

1.1 The Committee acts on behalf of the Board, to ensure effective monitoring of audit matters, financial risk, performance, funding, expenditure and making recommendations on staff remuneration.

### **2 Membership of the Committee**

2.1 The Committee shall comprise up to five members, to include three Board members (one of whom will be the Committee Chair). The Chief Executive and the Head of Finance and Procurement will be in attendance.

2.2 The Committee may co-opt one or more independent members with particular relevant expertise, with the agreement of the Board.

2.3 Members, including the three Board members, are appointed to serve for three years from the date of appointment. Members may be appointed for a second term.

### **3 Meetings and proceedings of the Committee**

3.1 The Committee shall hold at least four ordinary meetings each year, called by the Committee Chair. A special meeting can be called by the Chair or at least half of the Committee members, by giving not less than seven business days' notice of the meeting and matters to be discussed. Additional meetings may take place by email/conference call.

3.2 The quorum is no fewer than two Committee members who are also Board members. In the absence of the Committee Chair, a Committee member who is a Board member may be appointed by the Committee to chair the meeting on that occasion.

3.3 The Fundraising Regulator will provide the secretariat for the Committee. If particular expertise is needed, individuals or organisations can be invited to attend for an item or the whole meeting, as appropriate.

## **4 Committee member roles and responsibilities**

4.1 The Committee carries out specified work on behalf of the Board in the pursuance of the objects of the Fundraising Regulator. The Board will determine any areas in which it may delegate decision-making to the Committee.

4.2 The work of the Finance, Audit and Risk Committee will include to:

- Monitor and advise the Board on the significant strategic risk issues
- Consider and recommend appropriate audit arrangements for the organisation
- Monitor the progress against the business plan including achievement of the KPIs and financial performance
- Reviewing the annual budget and the integrity of financial plans for the organisation, recommendations where appropriate to the Board
- Consider outcomes for staff remuneration and reward and recommend these to the Board
- Review the draft Annual Report and Accounts and recommend these to the Board
- Assist the CEO with the recruitment of senior finance staff and auditors

## **5 Reporting to the Board**

5.1 Minutes of each Committee meeting shall be submitted to the next available Board meeting, where the activities of the Committee shall be reported to the Board by the Chair of the Committee.

5.2 The Committee will review its work annually and produce a report for submission to the Board in advance of preparation of the Fundraising Regulator's Annual Report.

5.3 Any proposal for expenditure by the Committee, other than the reimbursement of reasonable out-of-pocket expenses in line with the Fundraising Regulator's expenses policy, shall be submitted for prior approval by the Board.

## **6 Expectations of Committee members**

6.1 Committee members are expected to attend Committee meetings, to prepare fully for those meetings, to engage actively in discussion and to accept collective decisions that have been taken, to exercise collective responsibility and to respect confidentiality where required.

6.2 Committee members will be expected to participate in annual appraisals of performance, carried out by the Chair of the Committee.

## **7 Conflict of Interest**

- 7.1 On appointment and annually thereafter Committee members shall declare their interests in line with the Fundraising Regulator's Conflicts of Interest policy.
- 7.2 Committee members shall make full and immediate disclosure to the Committee of any conflicts of interest relating to any Committee agenda item or paper. Where possible, this should be flagged in advance with the Chair of the Committee, who may ask the Committee member to leave the room or refrain from taking part when that agenda item is discussed.

## **8 Review**

- 8.1 Terms of reference are reviewed bi-annually, or earlier than that if necessary, by the Board, having considered any recommendations for change suggested by the Committee. These terms of reference were agreed by the Board on 22 September 2017. The scheduled review date is September 2019.