

### Finance and Risk Committee

### Terms of Reference

1. **Purpose**

The Finance and Risk Committee provides a monitoring and specialist advice function for the Board of Trustees as part of their legal obligations. It is responsible for reviewing periodic financial reports, monitoring accountancy practices and the preparations for regular audits, and reviewing risk monitoring. It is accountable to the Trustee Board.

1. **Main Activities**
   1. **Ensure proper financial management and sustainability**
      1. Ensure best practice in financial management through (i) monthly monitoring of financial reporting across the College and (ii) reviewing and interrogating the financial position of the College every quarter as part of submitting written reports with observations and recommendations to the Board of Trustees.
      2. Ensure that the College’s financial policies are effective and working well through monitoring expenditure and recommending revisions or updates to policies to Trustees when appropriate.
      3. Clearly communicate the financial position of the College to the Trustees by working with the Chief Executive and Financial Controller to ensure that financial information is accurate and clearly presented. Actively monitor financial trends, review longer term forecasts of income and expenditure, and advise trustees accordingly.
      4. Ensure the long term financial sustainability of the College by:
2. Monitoring and reviewing the College’s financial reserves policy.
3. Monitoring and reviewing the College’s investment portfolio, using external benchmarking data where appropriate, and make recommendations to the Board.
4. Reviewing membership subscription rates and recommending the following year’s fees to the Board of Trustees (subject to formal agreement at the AGM).
5. Scrutinising the draft annual budget prior to presentation to the Board of Trustees.
6. Monitor and explore opportunities for diversifying revenue streams, including potential fundraising initiatives and grant opportunities, to enhance the financial sustainability of the College.
   1. **Ensure the College presents itself competently for Audit and external scrutiny**
      1. Monitor and review annual Financial Statements and information to be submitted to external auditors as well as information underpinning the statement of the College as a Going Concern.
      2. Review the post-audit report, and highlight significant issues to the Board of Trustees. Work with the Senior Management team as part of their written response to the audit, and draft any written representations from the Trustees required by the Auditors.
      3. Meet the auditor at least once a year to discuss the audit and any issues arising from the audit work, reporting back to the Trustees.
      4. Evaluate the performance of College auditors, and when appropriate conduct the tender process to appoint new auditors (subject to formal agreement at the AGM).
      5. Ensure that financial and audit information to be published as part of the College’s (publicly available) Annual Report is correct and provides an accurate representation of the College’s finances.
   2. **Ensure Risk management processes are working well**
      1. Review the robustness and effectiveness of internal controls and risk management systems, making recommendations to the Trustee Board as appropriate.
      2. Monitor risk registers submitted by College committees to ensure that risks are being appropriately monitored, mitigated, escalated, and remediated. Ensure that significant risks are being appropriately flagged to the Board of Trustees.
      3. Monitor the effectiveness of the internal audit function within the risk management framework.
7. **Status of Committee**
   1. The Finance and Risk committee is not authorised to make decisions other than in accordance with these terms of reference.
   2. The Finance and Risk committee is a Standing Committee.
8. **Membership**
   1. The Finance and Risk Committee will consist of not less than three trustees appointed by the board
   2. All members will serve 3 year terms, with a further 3 years subject to confirmation. The members of the committee will be:
      * The President
      * Honorary Treasurer
      * Honorary Secretary
      * A lay trustee
      * Up to two Council representatives
      * Chief Executive
      * Financial Controller
      * Head of People and Resources

The Chair shall be responsible for chairing meetings, liaising effectively with the Finance, Audit and Risk Committee manager, and ensuring it meets the key progress indicators outlined in the annual workplan.

1. **Meeting**
   1. The committee meets four times a year, in advance of the quarterly Board of Trustee meetings
   2. Meetings will be hybrid. The majority of work is expected to be undertaken in-between meetings.
   3. Notices of meetings shall be given in writing/email.
   4. Repeated absence of 3 or more missed meetings and/or inability to contribute to the work of the Committee will result in removal subject to review by the Chair.
   5. The Chair shall preside at every meeting or if they are unable or unwilling to do so, another member appointed shall preside as Chair in their place for that meeting.
2. **Quorum**

The quorum of the committee is five members and must include the Honorary Treasurer.

1. **Representation on College Committees**
   1. The Chair shall also attend meetings of the Trustee Board
   2. Other members shall attend the Trustee Board meetings as required
   3. Representatives shall serve on committees throughout their tenure, unless otherwise agreed with the Chair.
   4. It is permissible to send deputies where necessary.
2. **Reporting requirements**
   1. The committee secretary shall keep minutes of its meetings, and a copy of these minutes shall be sent to the trustee board
   2. The Finance committee shall adhere to the key progress indicators outlined in its annual workplan including the reporting of risk through the completion of a risk register.
   3. The Finance committee shall report 4 times per year to the Trustee Board
   4. The Trustee Board, from time to time may at their discretion seek any further information in relation to the discharge of its functions.
3. **Confidentiality**

All discussions and materials related to the selection process are considered confidential and should not be disclosed outside of meetings or meeting related work.

1. **Conflicts of Interest**

All members must submit a declaration of interest. It is the responsibility of members to inform the Chair if a new conflict of interest arises. Members with a direct or perceived conflict of interest shall recuse themselves from the meeting.

1. **General**
   1. The operational management of the Committee/Sub-Committee/Working group, and any work arising from it, are the responsibility of College staff; the role of members is to advise and provide a wider perspective.
   2. No sponsorship shall be sought or accepted without the involvement and agreement of the Partnerships and Sponsorship Manager or the Chief Executive.
   3. No member may be paid or accept payment in cash or kind for work undertaken on behalf of the Committee/Sub-Committee/Working Group without the prior approval of the President, Vice President, Honorary Treasurer, Honorary Secretary, or Chief Executive officer.
   4. Expenses to attend meetings shall be met at the usual College rates. Expenses for any other meetings either in the College or outside will only be paid with the prior approval of the President, Vice President, Honorary Treasurer, Honorary Secretary, or Chief Executive officer.
   5. As a group set up within the College, and under the terms of its Charter, the Committee/Sub-Committee/Working Group may not support any objective that would make it a Trade Union, nor shall its objectives extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
2. **Variation or Termination**

These terms of reference shall be reviewed ever*y 2* years and shall remain in force until varied or revoked by the Board of Trustees.

**Date of publication**: February 2025

**Review date**: January 2027