



Terms of Reference Finance Committee

Name: Finance Committee

Purpose: To provide oversight of the Finance and Investments of the SWI and to report to the Board that the internal controls are sufficient. The Finance Committee shall have authority delegated to it by the Trustees and shall report to the Trustees on all matters of their responsibilities.

1. The Committee will be Responsible for:

1.1 Internal Financial Control & Financial Risk Management

1.1.1 Monitor the adequacy and effectiveness of the charity's internal financial controls and financial risk management systems including relevant procedures and policies.

1.1.2 Exercise general oversight of the conduct of financial transactions and the maintenance of financial records including any necessary review of the Charity's financial policies and procedures, delegations and mandates.

1.1.3 Review the internal financial controls and financial management systems for all major or high-risk projects.

1.1.4 Investigate on behalf of the Board of Trustees any matter that may put the charity at financial risk.

1.1.5 Declare any interest at the start of the meeting and if there are any, no part should be taken in any decision unless there is not a conflict of interest.

1.1.6 Keep an updated record of members interests.

1.1.7 Ensure all monies received shall be paid to the credit of a bank or building society account in the name of Scottish Women's Institutes, such accounts to be operated on by two signatures from the appointed signatories. Four signatories are appointed, consisting of National Office Bearers and their nominee(s). All other assets, heritable and moveable, are recorded in the name of Scottish Women's Institutes or such nominees as have been, or may in the future be, appointed by the organisation.

1.2. Budgeting & Financial Performance

1.2.1 Monitor and review the Charity's budgets for approval by the Board including financial expenditure and recommendations from other committees.

1.2.2. Monitor and review periodic financial monitoring reports to ensure that revenue and capital expenditure is not exceeded.

1.2.3. Monitor and review the Charity's financial performance and invite Chief Executive Officer (CEO) to prepare papers on particular matters for Finance Committee meetings to assist in these discussions.

1.2.4 Consider any reports and recommendations relating to procurement activity.

1.2.5 Consider any reports and recommendations relating to insurance.

1.2.6 Ensure proper books of accounts are maintained and brought to a balance as at 31 December annually. A copy of the duly audited accounts is sent to each Federation not later than two weeks before the annual general meeting.

1.2.7 Each committee member has a responsibility to report to their Federation representatives within their geographical area after each meeting.

1.3. Reserves & Investments

1.3.1 Monitor and review the Charity's arrangements in relation to investments including its investment policy. Ensure that these arrangements are aligned with the Charity's long terms strategic objectives. Make recommendations to the Board as required. Based on professional advice, the Finance Committee shall have the power to invest the whole, or any part of, the Scottish Women's Institutes funds in investments, securities, deposits and other assets of whatever description whether or not falling within the class of investments authorised by The Charities and Trustee Investment (Scotland) Act 2005 as it shall in its discretion think fit.

1.3.2 Make recommendations to the Board in relation to the appointment, reappointment and removal of the charity's investment advisors.

1.3.3. Oversee the selection process for new investment advisors and if the investment advisors resign, investigate the issues leading to this decision and whether any action is required.

1.3.4. Oversee the relationship with the investment advisors and in particular:

- Review and recommend to the Board for approval their terms of engagement, including any engagement letter issued.
- Annually assess their independence and objectivity, taking into account; relevant professional and regulatory requirements; the relationship with the investment advisors as a whole; satisfy itself that there are no relationships between the investment advisors and the charity other than in the ordinary course of business.

1.3.5. Meet with the investment advisors as appropriate.

1.3.6. Review the charity's arrangements in relation to reserves, including its reserves policy. Make recommendations to the Board as required.

1.3.7 Be responsible for remuneration of all paid staff including the CEO taking account of similar roles and responsibilities on a regular basis.

1.4. Auditor

1.4.1 Appoint External Auditor

1.4.2 Review the Terms of Engagement with the external auditor

1.4.3 Approve the auditors external audit plan

1.4.4 Review the external audit Management letter and Management responses

1.4.5 Review the performance of the external auditor

1.4.6 Responsible for endorsing the annual report and accounts for approval by the Board.

1.4.7. Responsible with the Board for reviewing any representation letter(s) requested by the auditor before they are signed on behalf of the Board.

1.5 Reporting to the Board

1.5.1 The Finance Committee must submit an annual report to the Board detailing its activities and that internal controls are correct.

1.5.2 All reports submitted to the Board must be done so in writing.

1.5.3 The Honorary Treasurer of the Finance Committee shall attend the annual general meeting to answer questions from members on the committees' activities.

2. Structure and Composition

2.1. The Finance Committee shall consist of one area representative from each of the six areas, convenors of the national committees plus three National Office Bearers. National Office Bearers are ex-officio and with voting rights.

2.2 It would be beneficial if at least one member of the Finance Committee has recent and relevant financial experience.

2.3 The quorum for Finance Committee meetings is five members, one of whom must be a National Office Bearer.

2.4 Members of the Finance Committee and committee convenors have the automatic right to vote. National Office Bearers are ex-officio and with voting rights.

3. Appointment Process

3.1. In the absence of the Honorary Treasurer and the Vice Convenor, the remaining members present shall elect one of themselves to chair the meeting.

3.2 Finance Committee members shall be appointed for a fixed term of no more than three years and no individual shall usually be eligible to serve as a Finance Committee member for more than two consecutive full terms.

4. Meetings and Proceedings

4.1. The Finance Committee shall meet in advance of each Board meeting at appropriate times in the reporting cycle and otherwise as required.

4.2. The frequency of meetings shall be reviewed and agreed by the Board of Trustees.

4.3. The Chief Executive and Finance Officer have an open invitation to all Finance Committee meetings

4.4. The Charity's investment managers attend Finance Committee meetings and will advise on their attendance as appropriate.

4.5. Other individuals may be invited by the Honorary Treasurer to attend all or part of Finance Committee meetings as and when appropriate or necessary.

4.6 The Honorary Treasurer of the Finance Committee will report to the Board following each committee meeting on its duties and responsibilities.

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

4.8. The minutes of each Finance Committee meeting shall be made available to the Board.

5. Financial Control/Expenses

5.1 Financially, the committee is accountable to the Board. Expenses incurred by members of the Finance Committee will be paid by Headquarters within the limits set and on production of a receipt.

5.2 For those members whose home Federation requires a flight and/or ferry journey, reasonable expenses will be paid by Headquarters.