



FINANCE, AUDIT & CORPORATE GOVERNANCE COMMITTEE REMIT (2018)

1.0 MEMBERSHIP

The Finance, Audit & Corporate Governance Committee shall consist of a minimum of 5 members of the Management Committee elected annually at the first meeting of the Management Committee following the Annual General Meeting (or otherwise as agreed). Membership of the Finance, Audit & Corporate Governance Committee shall include the Treasurer and either the Chairperson or Vice Chairperson.

However, any member of the Management Committee may attend any meeting of the Finance, Audit & Corporate Governance Committee and, for the duration of that meeting, participate as a full member of the Committee (with the exception of contributing towards a quorum).

2.0 ELECTION OF CONVENOR AND VICE CONVENOR

A Convenor and Vice Convenor shall be elected annually at the first meeting of the Committee following the Annual General Meeting (or otherwise as agreed). In accordance with recommended good practice it is not recommended that the Association's Chairperson be elected Convenor of the Finance, Audit & Corporate Governance Committee.

Convenors will serve a maximum of 3 consecutive years unless a request is made by the Management Committee for this period to be extended.

3.0 ROLE OF THE CONVENOR

3.1 Agenda

The Convenor will liaise with the member of staff assigned to service the Committee over the preparation of the Agenda by reviewing and approving the draft agenda. Only once approved can the agenda be issued.

3.2 Committee Papers

Once the Committee papers have been prepared (and distributed) Convenors will make contact with the member of staff assigned to service the Committee to review the reports and documents etc prior to the meeting to ensure that any matters requiring clarification/ explanation can be discussed in advance of the meeting.

3.3 Minutes

The Convenor will receive a draft Minute of the Committee meeting from the member of staff assigned to service the Committee for review and approval. Only minutes approved by the Convenor should be circulated for formal approval by Committee at their next meeting.

3.4 Feedback to Management Committee

The Convenor will give verbal feedback to the Management Committee at meetings where sub Committee minutes have been distributed for information. This feedback will include the key items of business covered at the relevant sub Committee meeting.

4.0 QUORUM

A quorum will be 3 Members of those elected as members of the Finance, Audit & Corporate Governance Committee. If a quorum is not present within 15 minutes of the scheduled start of the meeting, the meeting may be postponed until a later date. Alternatively the members may proceed with the meeting and prepare a note of the meeting. Any business requiring approval will be recommended to the next Management Committee meeting.

5.0 MEETINGS

The Finance, Audit & Corporate Governance Committee will meet at least quarterly.

Meetings will be held on a Thursday evening but not on the Thursday immediately prior to the date of the Management Committee (unless otherwise agreed).

Finance, Audit & Corporate Governance Committee meetings will last a maximum of 2 hours. Any business remaining at the conclusion of the meeting shall be held over until another meeting unless the majority of the Committee agree to suspend the standing orders and continue with the meeting.

A timetable of proposed meetings and business items will be prepared prior to the start of the new financial year.

6.0 PRINCIPAL DUTIES

6.1 Overview of Financial Reporting and Planning:

The Finance, Audit & Corporate Governance Committee will

- ✓ assist the Committee of Management ensure that financial reports to external parties, in particular, the annual financial statements, are balanced and fair and conform to accounting standards;
- ✓ confirm to the Committee of Management that there are no outstanding matters of disagreement between management and the external auditor;
- ✓ be advised by the external auditor of any principal matters of concern;
- ✓ consider the draft annual budget and make recommendations to the Management Committee for approval.
- ✓ approve the Finance & Corporate Services departmental plan annually.

6.2 Overview of External Audit:

The Finance, Audit & Corporate Governance Committee will

- ✓ consider whether or not the Association is getting good value for money from its external auditor;

- ✓ recommend to the Committee of Management the re-appointment or otherwise of the external auditor;
- ✓ consider the external auditor's management letter and respond accordingly

6.3 Overview of Internal Control and Corporate Governance:

The Finance, Audit & Corporate Governance Committee will

- ✓ satisfy the Committee of Management that there is sufficient, systematic review of the internal control arrangements of the Association, both operational (relating to effectiveness, efficiency and economy) and of financial reporting controls;
- ✓ ensure that any weaknesses in control are being corrected and to prepare an annual report to the Committee of Management in advance of the approval of the annual accounts on the adequacies of the internal controls and internal audit report findings during the year;
- ✓ commission special investigations into matters of particular concern relating to internal control;
- ✓ be advised by the internal audit function of any major internal audit findings.

6.4 Overview of Internal Audit:

The Finance, Audit & Corporate Governance Committee will

- ✓ consider whether or not the Association is getting good value for money from its internal auditor;
- ✓ ensure that the Association has appropriate internal audit arrangements and to approve the scope and/or limitations of such arrangements;
- ✓ recommend to the Committee of Management the re-appointment or otherwise of the internal auditor;
- ✓ review the planned programme of work of the internal audit function to ensure its appropriateness.

6.5 Corporate Governance:

The Finance, Audit & Corporate Governance Committee will review the Association's governance monitoring process, mechanisms and systems on a regular basis.

6.6 Policy Review:

The Finance, Audit & Corporate Governance Committee will

- ✓ review all the Association's finance, audit and corporate governance policy documentation (unless specifically delegated to another committee) within agreed timescales and make recommendations to the Management Committee regarding any potential amendments;
- ✓ be responsible for considering new areas of finance, audit and corporate governance policy and for making appropriate recommendations to the Management Committee for adoption;
- ✓ be responsible for the approval and monitoring of the Finance & Corporate Services departmental plan

6.7 Other General Duties:

The Finance, Audit & Corporate Governance Committee will;

- ✓ review the Fraud Register and Gifts & Hospitality Registers on an annual basis;

- ✓ consider reports on all incidents of attempted / actual fraud as and when they occur;
- ✓ offer the Internal Auditor the opportunity to meet with them at any time without the presence of Management or External Auditor;
- ✓ review policies and procedures in relation to financial and internal/external audit matters.

7.0 SERVICING AND REPORTING

The Finance, Audit & Corporate Governance Committee will be serviced by the Director of Finance & Corporate Services / Depute Chief Executive and/or the Chief Executive, who will be responsible for ensuring that reports and papers are prepared and issued in time for the appropriate meeting, i.e. at least 5 days prior to the date of the meeting.

8.0 DELEGATED AUTHORITY

The Finance, Audit & Corporate Governance Committee will have delegated power to take decisions, on behalf of the Management Committee, on matters agreed as forming part of the remit of the Finance, Audit & Corporate Governance Committee on the proviso that all decisions are consistent with the Association's Corporate Management Plan and Annual Budget and are reported to the next meeting of the Management Committee for retrospective approval.

Should the situation arise where the Committee feels unable to make a particular decision the matter in question will be referred back to the Management Committee for decision.

Policy matters, either new or subject to review remain outwith the above delegated authority with the level of authority being restricted to consideration and recommendation to the Management Committee.

Any issues of a cross-departmental nature may be required to be considered by more than one Committee (or alternatively considered by the Management Committee only).

In the event that the date of the next scheduled committee meeting is outwith the desirable timeframe, the issue subject to consideration, may be referred to the next meeting of the Management Committee in order to expedite the matter timeously.

8.0 PROCUREMENT OF SERVICES

The Finance, Audit & Corporate Governance Committee will be responsible for the procurement and appointment of the following services:

- ✓ Selection and appointment of consultants for full stock valuation exercises
- ✓ Insurance matters including selection and appointment of broker services and insurer.
- ✓ Internal Auditors – including selection, approval of engagement letter and approval of programme of work.
- ✓ External Auditors – including selection, approval of engagement letter and responding to the Management Letter.

- ✓ Loan Funding – selection and approval of lenders and new loan and refinancing decisions

9.0 **REVIEW**

The remit of the Finance, Audit & Corporate Governance Committee will be reviewed annually.

Should the Management Committee have reason to call into question the decisions of the Finance, Audit & Corporate Governance Committee, both the remit and the composition of the Committee may be subject to review by the Management Committee prior to the date of the next scheduled meeting.

George Tainsh
Chief Executive

31st July 2018

Policy Review Consultation Process

APPROVED BY THE MANAGEMENT COMMITTEE ON 30th AUGUST 2018