



FINANCE & AUDIT COMMITTEE TERMS OF REFERENCE



Finance and Audit Committee: Terms of Reference

Purpose

The Finance and Audit Committee (the “**Committee**”) will oversee the strategic aspects of the Dame Kelly Holmes Trust’s (the “**Trust**”) financial activities and accountabilities and will make recommendations to the Board of Trustees of the Trust (the “**Board**”). This Committee will also monitor the relevant KPI’s and Risks in relation to the strategic and operational plan (ensuring a sustainable legacy for our founder).

The Committee has the authority of the Board to have access to any information or employee of the Trust in the course of undertaking its responsibilities, and to obtain outside legal or other independent advice where required.

Constitution

These Terms of Reference replace all previous versions previously applied.

Objectives

- To exercise an overview of income, expenditure and investments;
- To agree proposed annual budgets with the CEO prior to the start of each financial year to be recommended to Board. Ensuring alignment to the business plan;
- To oversee the appointment of external experts (i.e. auditors and investment managers);
- To have oversight of the performance of the Income Generation Plan in line with the approved budget; and
- To ensure the Trust is compliant with the requirements of the Charity Commission, Companies Act 2006 and any relevant accounting standards.

Responsibilities Concerning Finance

To receive, review, consider and, where required, make recommendations to the Board on:

- Quarterly Management Accounts and annual accounts, monitoring actual against Budget/Forecasts;
- Levels of insurance;
- The Trust’s policy on reserves and the long-term financial strategy, including borrowings and investments annually;
- Annual budget including CAPEX and impact of salary reviews;
- Where appropriate, request additional out of budget expenditure. Any proposed expenditure, outside of agreed budgets, requires CEO and or Board sign off in line with delegated levels of authority;
- Opening and transfer of all bank accounts and associated mandates operated by the Trust;
- Agree the accounting policies of the Trust and review the consistency of accounting policies used / any changes made to the accounting policies on a year on year basis;
- Take responsibility on behalf of the Board for overseeing all financial aspects of the Trust’s operations so as to ensure short and long-term viability;
- Review longer-term forecasts of income and expenditure and approve the form of presentation of financial information;
- Review performance of the Trust’s investments on a quarterly basis;
- Review performance of the Trust’s income generation plans and performance on a quarterly basis;
- Review whether the Trust has followed appropriate accounting standards and applicable law and made appropriate estimates and judgments, taking into account the views of the external auditor;
- Review the clarity of disclosure in the Trust’s financial reports and the context in which statements are made;
- Review the adequacy and effectiveness of the Trust’s internal financial controls and internal control and risk management systems; and
- Periodically review and update these Terms of Reference and submit them to the Board for approval and review the Committee’s performance.

Responsibilities Concerning Audits

To receive, review, consider and, where required, make recommendations to the Board on:

- Oversee the appointment or dismissal of the external auditors.
- Review and approve on an annual basis the auditors' fees and their performance and independence, objectivity, qualifications, expertise, resources and matters relating to the provision of non-audit services;
- Formally review a tender for the external auditors every three years in line with best practice;
- Agree the nature, plan and scope of the annual audit with the Head of Finance prior to the audit;
- Review and agree the statutory accounts in conjunction with the external auditors and present them to the Board for approval;
- The Chair or nominated Committee representative will attend the annual report meeting with the CEO, Finance Manager and the auditors;
- Review the auditors' Management Letter and agree any plan of action addressing and issues raised;
- Review and approve the Trust's whistleblowing, bribery and fraud policies and procedures regarding the same; and
- Review the risk register on an ongoing basis and make recommendations to the Board as appropriate.

Responsibilities Concerning Pensions / Staffing Requirements

To receive, review, consider and, where required, make recommendations to the Board on:

- Review any requests on changes to employment contracts, pension schemes and staff policies and reporting to the Board as appropriate; and
- Ensure changes or updates to any regulatory requirements are actioned by the CEO.

Committee Membership

The Committee will be made up of at least four members, comprising of a minimum of one Trustee appointed by the Remuneration and Nominations Committee and a minimum of two independent members. To maintain independent scrutiny, it is noted that the Chair of the Board cannot regularly attend Finance & Audit Committee meetings or act as the Chair of the Committee.

Trustee Attendance

Trustees who are not members of the Committee have an open invitation to attend any Committee meeting. As a courtesy, they are requested to give as much notice as possible to the Committee Chair.

Terms of Membership

Term of membership is three years.

Meetings

Meetings will be held four times a year, at least two weeks prior to Board meetings and otherwise as required. The Chair is required to provide an update at the Board meeting. Agendas will be circulated at least 1 week in advance of the meetings (including the meeting's venue, time and date) to all Committee members and any other permitted attendees and minutes will be circulated no later than two weeks after the meetings to all Committee members.

The Committee will have the power to co-opt external members where appropriate (subject to main Board approval).

The Committee will hold ad hoc meetings if required to. Regular exchanges will also take place by email and phone throughout the year.

Quorum

The quorum necessary for the transaction of business by the Committee shall be reached when 75% of Committee members are in attendance which must include the Chair. 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.

Where a Committee meeting is (a) not quorate within one half hour from the time reserved for the meeting; or (b) becomes inquorate during the course of the meeting, the Committee members present may determine to adjourn the meeting to such time, place and date as may be determined by the members present or to continue with the meeting and email out any decisions to be made for validation by those not present (and only upon such validation will such decision be adopted by the Committee).

Chair


Chaired by a designated member of the board of Trustees

Coordinator

The Charity Secretary will be responsible for coordinating committee meetings wherever possible. In their absence the Head of Programmes & Impact will take on this role.

Staff Attendance

The Head of Programmes & Impact is required to attend all meetings of the Committee. Other staff may, at the Committee Chair's request, attend meetings as required.

Signed:	
Name:	Paula Harris
	Chair of the Finance & Audit Committee
Date:	2 nd November 2020
Updated	October 2020
Next Review	September 2022