



## **FINANCE & RISK COMMITTEE TERMS OF REFERENCE**

### **CONSTITUTION**

1. The Finance & Risk Committee (the Committee) will function as a committee of the GALVmed Board of Directors/Trustees (the Board).
2. The Committee's primary role is to provide an independent overview of financial and non-financial matters on behalf of the Board.

### **MEMBERSHIP**

3. The Board will appoint the Committee which will comprise at least 2 Trustees.
4. The Board will appoint the Chairman of the Committee.
5. Members will be appointed for a 3-year term of office, which may be extended for a further 3 year period.
6. The Board may co-opt non-Board members (external members) onto the Committee where their expertise adds value, subject to Board approval.
7. A quorum for any meeting will be 2 Committee members of which one must be a Trustee.
8. Non-attendance by a member for 3 consecutive meetings will automatically terminate the membership unless otherwise agreed by the Chair.

### **SECRETARY**

9. A secretary of the Committee will be appointed by the Board.

### **FREQUENCY OF MEETINGS**

10. Meetings will be held not less than 2 times a year, and where possible should coincide with key dates in GALVmed's financial reporting cycle.

### **NOTICE OF MEETINGS**

11. An agenda will give notice of each meeting stating the date, time and venue, together with the business matters to be discussed. It will be issued to all committee members and any other person required to attend the meeting including staff no later than 5 working days before the date of the meeting. Supporting papers will be sent at the same time.
12. The date of the next meeting will be notified at the end of the previous meeting.



## **FINANCE & RISK COMMITTEE TERMS OF REFERENCE**

### **ATTENDANCE OF MEETINGS**

13. The Chief Executive Officer and the Senior Director, Corporate Services & Finance are expected to attend meetings. The Business Development Director will attend the fundraising governance and any other fundraising elements of the meeting. Other members of the GALVmed Leadership Team may be invited to attend from time to time, when issues relevant to their roles are discussed.
14. The Co-Chairs of GALVmed and other Trustees have the right to attend meetings and observe proceedings.
15. A representative from the external auditors will be invited to attend the meetings, as appropriate, to the scheduled business of that meeting.
16. The external auditors may request a meeting to be called if they consider one necessary.
17. At one of the meetings during the year committee members will have the opportunity to meet with the external auditors without staff being present.

### **CONFLICT OF INTERESTS**

18. Committee members must declare all conflicts of interest at the beginning of the meeting. Conflicts of interest shall be recorded in the minutes.

### **MINUTES OF MEETINGS**

19. The proceedings of all meetings will be minuted.
20. The minutes shall be circulated promptly to all committee members for approval at the next meeting.

### **RESPONSIBILITIES**

21. The Committee shall:

#### **21.1 Internal Controls and Risk Management Systems**

- 21.1.1 ensure the Board receives reliable and timely management information and review the adequacy of the management information systems;
- 21.1.2 keep under review the effectiveness of GALVmed's internal control and risk management systems;
- 21.1.3 review the risk register and satisfy itself that appropriate management action is being taken to mitigate these risks; and
- 21.1.4 monitor the implementation policy on standards of business conduct for Board members and staff, thereby assuring the Board on the integrity of all business conduct.



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### **21.2 Bribery, Fraud and Whistle Blowing**

- 21.2.1 ensure procedures for anti-bribery and detecting fraud are in place;
- 21.2.2 monitor the execution, operation and effectiveness of anti-bribery and fraud arrangements
- 21.2.3 review all reported circumstances of bribery, fraud or irregularity, consider the management actions taken and report any serious incidents to the Charities Commission, statutory bodies and donors as necessary; and
- 21.2.4 review GALVmed's arrangements for its employees to raise concerns, in confidence without fear of reprisal, about possible wrongdoing in any matter, financial or non-financial (whistle blowing).

### **21.3 External Audit**

- 21.3.1 consider and make recommendations to the Board, for approval at the AGM, in relation to the appointment and removal of GALVmed's external auditor. The Committee will oversee the selection process for new auditors. If an auditor resigns the Committee will investigate the issues leading to this and decide whether any action is required.
- 21.3.2 oversee the relationship with the external auditor including but not limited to:
  - approval of their remuneration, whether fees for audit or non-audit services, ensuring that they are sufficient to enable an adequate audit to be conducted;
  - approval of their terms of engagement and the scope of the audit;
  - annually assess their independence and objectivity;
  - review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
  - review the external auditor's findings and recommendations, and management's responses, and ensure all are received on a timely basis; and
  - review any letter of representation requested by the external auditors before it is signed by the Board.
- 21.3.3 review the annual accounts prior to their approval by the Board, focusing in particular on:
  - critical accounting policies and practices, and any changes in them;
  - the extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
  - compliance with accounting standards;
  - decisions requiring a major element of judgement;
  - significant audit adjustments;
  - the going concern assumption; and
  - the Directors' report.



## **FINANCE & RISK COMMITTEE TERMS OF REFERENCE**

### **21.4 Internal Audit**

21.4.1 approve the objective and scope of any internal audit plans.

21.4.2 ensure that significant findings and recommendations of the internal audit are received on a timely basis and are responded to appropriately by management.

### **21.5 Investment Policy**

21.5.1 consider the Investment Policy, and any subsequent revisions, and recommend for approval to the Board. In doing so ensure compliance with the Charities and Trustee and Investment (Scotland) Act 2005 and the Trustee Act 2000.

21.5.2 review investment activities to ensure compliance with the Investment Policy.

### **21.6 Financial Planning and Reporting**

21.6.1 review the quarterly management accounts and the quarterly key deliverables reports and bring any significant matters of non-compliance, especially in relation to donors, to the attention of the Board.

21.6.2 Ensure GALVmed's Strategy and Business Plans are reviewed prior to Board approval.

21.6.3 review GALVmed's annual financial and operational plans and make recommendations for approval to the Board.

### **21.7 Governance Review**

21.7.1 ensure a formal annual evaluation of Board performance is undertaken.

21.7.2 undertake an annual review of the governance of GALVmed to ensure that:

- delegation of authority is still appropriate
- conflicts of interest of all relationships the organisation holds are being managed effectively

21.7.3 monitor use of delegated authority

### **21.8 Other Responsibilities:**

21.8.1 monitor compliance with statutory and other codes of practice that are not employer related (HR Committee responsibility).

21.8.2 ensure that at all times the terms of reference are relevant and, if changes are required, to seek Board approval.

21.8.3 regularly update the Board about its activities and make appropriate recommendations.

21.8.4 The Chair of the Committee will report to the Board as required on the activities of the Committee.



## **FINANCE & RISK COMMITTEE TERMS OF REFERENCE**

### **21.9 Fundraising Governance**

- 21.9.2 ensure the Board receives reliable and timely information on the fundraising strategy, monitor that it is implemented effectively and make recommendations for consideration or approval by the Board.
- 21.9.3 review GALVmed's Fundraising Strategy on an annual basis and ensure that it is consistent with the aims of the GALVmed's business plan.
- 21.9.4 ensure that an ethical fundraising policy is in place that is in accordance with other relevant policies across the organisation, and that the Board/Staff are applying the policy in all relationships and partnerships across the organisation.
- 21.9.5 support the fundraising function in GALVmed to deliver, including ensuring that appropriate resources are allocated to the work, and that it has the tools necessary to enact the fundraising strategy.
- 21.9.6 engaging expertise as necessary ensure the implementation of appropriate fundraising systems and protocols within GALVmed are in accordance with the Institute of Fundraising and Fundraising Standards Board regulations.
- 21.9.7 approve the objective and scope of any internal audit plans with respects to fundraising.
- 21.9.8 in securing unrestricted and core funding the fundraising strategy is in compliance with the Investment Policy to increase funds to this end.
- 21.9.9 ensure that donors receive appropriate and timely reports on financial and key deliverables and bring any significant matters of non-compliance in the organisation to the attention of the senior leadership and the Board.
- 21.9.10 ensure that at all times the Fundraising Governance terms of reference are relevant and, if changes are required, to seek Board approval.
- 21.9.11 regularly update the Board about fundraising governance activities and make appropriate recommendations.

### **AUTHORITY**

- 22. The Committee is authorised by the Board to:
  - 22.1 to seek any information it requires from any employee of GALVmed; and
  - 22.2 obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.
- 23. The Committee will be provided with sufficient resources to undertake its duties.



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### **EVALUATION**

24. The committee is responsible for evaluation of its activities and will report the results to the Board.

### **REMUNERATION/EXPENSES**

25. There will be no remuneration for preparation, attendance and travel time. Expenses for travel, accommodation and subsistence will be paid by GALVmed in accordance with the Travel Policy.

### **Version Control**

<b>Date</b>	<b>Activity</b>
October 2008	Terms of Reference (TofRs) established
September 2012	Responsibility for Fundraising Governance added
May 2016	TofR's reviewed & revised
September 2018	TofR's reviewed & revised in line with TSC and CD Advisory Committee TofR and to rename as Finance & Rick Committee