

Terms of Reference Finance Committee

Constitution

The Committee has been established by resolution of the Board of Trustees of the Charity (the "Board") and is to be known as the "Finance Committee".

Purpose

To identify and implement appropriate policies and procedures to ensure the financial sustainability and growth of For Jimmy.

General responsibilities

The Committee oversees the scrutiny of financial statements, management accounting & reporting, financial controls and risks of the charity and its subsidiaries.

Membership

The Board shall appoint the Chairperson of the Committee (the "Chairperson")

The members of the Committee shall be appointed by the Board and consist of at least two Board members and at least one member of the Executive team.

The Committee has the power to co-opt up to three additional members and will endeavour to appoint at least one external member.

A quorum necessary for the transaction of business is two members. 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.

Appointments to the Committee shall be for a period of three years, with a maximum of two consecutive three year terms, after which there will be a minimum of a one year break.

The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

The Committee shall be provided with appropriate and timely training, both to induct new members to the Committee and or existing members, where necessary.

If members of the Executive team or senior management are involved in advising or supporting the Committee, that Role should be clearly separated from the one they hold within the business and care should be taken to recognise and avoid conflicts of interest.

Attendance and frequency of meetings

- The Committee will meet at least four times per year.
- A representative of the external auditor shall attend meetings as requested by members and at least once a year.
- At least once a year the Committee shall arrange a part of a meeting with the external auditor without members of management present.

Agenda and Papers

- The agenda for each meeting will be agreed between the Chairperson and the Finance Manager.
- Where possible, the agenda and papers will be issued to members a week before the meeting.

Reporting

The Committee will report back to the Board identifying any matters requiring action or improvement. Reports will include the following areas: activities undertaken since the last report, planned activities for next period, risks assessed as high impact + high likelihood with a management strategy in place, and matters of substance referred to the Board for consideration or development.

Action points of each meeting will be made available to all relevant parties.

Specific responsibilities of the Committee

Review of Annual Report and Accounts and External Audit

- To consider all aspects of the external audit, including appointment, dismissal and remuneration of the external auditors, the nature and scope of the statutory audit / independent examination including the audit plan, the recommendation of audited financial statements to the Board, and the discussion of issues raised in the external auditor's management letter. This will include discussion on any significant adjustments arising from the audit / external examination.
- To review the process for awarding any non-audit work to the external audit firm ensuring that potential conflicts of interest are managed in the best interests of the charity. To review reports prepared by the external auditor and agree the work proposed by management to address issues which are raised.
- To ensure the annual financial statements are true and fair and conform to accounting standards and Charity Commission requirements. To ensure that accounting policies are applied consistently.
- To ensure compliance with all legal requirements.
- To review the performance reported in the Board's Annual Report and ensure that this is a true reflection of the charity's performance.
- To ensure that management and external audit monitor and embrace impending legal and best practice changes to financial reporting.

Management accounting, cash flow and reporting

- To review the appropriateness of financial reporting and recommend improvements. To monitor the management accounts and recommend actions as appropriate.

Financial plans and budget preparation

- To consider and recommend financial plans / budgets to the Board.
- To receive any requests on expenditure / plans outside of the budget and make recommendations to the Board where appropriate.

Budget / actual monitoring and control

- To receive reports to monitor progress against budget.

Financial Systems and Policies

- To provide oversight and assurance of financial systems and policies.
- To review and recommend to the Board the approval of key financial policies (fraud, investments etc.)
- To review updates to the financial procedures. To approve and review the scheme of delegation relating to financial matters. To take a view and make recommendations on major developments and changes to financial systems.

Investments and Deposits

- To review and advise on banking, deposit and treasury arrangements.

Review of internal controls

- To keep under review the internal control procedures as appropriate.
- To receive reports from management on financial control issues and lapses and to review proposed management action arising from these reports.

Review of risk management processes

- To monitor the processes for assessing managing and reporting strategic, operational and emerging risks. This work will complement the monitoring and review carried out by other committees.
- To review in particular risks relating to financial issues and monitor the implementation of measures agreed necessary to effectively manage these risks.

Other Matters

- The Committee may from time to time investigate or review matters outside its terms of reference as required by the Board.

Review and evaluate

- To self-assess the performance of the Committee and agree where change may be needed. The outcome of these assessments will be reported to the Board.
- Review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other control matters.

Note

It is important to note that although the Committee reviews financial information in greater detail than the Board may do, all Board members remain collectively and individually responsible for the finances of the organisation.



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