

BMC Specialist Committee: Membership and Terms of Reference 2018

Committee name	Finance & Audit Committee
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Members			Elected
Chair	Iain Dickinson		2017 (2005)
Secretary	Alan Brown	BMC Financial Controller	2002
	Graham Richmond	Honorary Treasurer (from Apr 17)	2017 (2003)
	Charles Gameson		2012
	David Lanceley		2008
	David Brown	National Council Representative	2017
	Gron Foulkes-Davies		2017
	Tim Raffle		2005
	Dave Turnbull	BMC CEO	2002
Paper Members			
		BMC Board of Directors	2018
	Nick Colton	BMC Deputy CEO	2014

Terms of Reference
<p>The Finance & Audit Committee is a sub-committee of the BMC Board of Directors (refer to BMC Articles 23.4 and 23.5).</p>
<p>1. Purpose</p>
<p>1.1. The purpose of the BMC's Finance & Audit Committee is to monitor the BMC's financial position regularly, on behalf of the Board of Directors, to ensure that the BMC has appropriate accounting and financial policies and controls in place and that its auditing arrangements are properly co-ordinated and work effectively. The Finance & Audit Committee provides assurance to the Board of Directors on the organisation's financial viability and performance in line with budgeted expectations.</p>
<p>1.2. The Finance & Audit Committee's role is to:</p> <ul style="list-style-type: none"> • keep under review the adequacy and effectiveness of the internal financial controls and financial risk management systems. • authorise commitment of expenditure, grant applications or commitment to contracts in line with the financial limits set out in the scheme of delegation agreed by the Board of Directors. • make recommendations to the Board of Directors on all finance matters. The Board of Directors is responsible for the final decision.
<p>1.3. A comprehensive list of activities which the Committee might carry out can be found in Annex A.</p>
<p>2. Membership</p>
<p>2.1 The Board shall determine the terms of reference for any such committees and their membership and may co-opt any person or people who are not Directors to serve on a committee, but any such committee must have at least one Director on it at all times. All members of the Board of Directors are paper members of the Finance & Audit Committee. Members may be invited to join the committee based on their skills and expertise.</p>
<p>3. Quorum</p>
<p>3.1 A quorum at each meeting shall be four members.</p>
<p>4. Appointment of the Finance & Audit Committee</p>
<p>4.1 The Board of Directors shall form and maintain the Committee.</p>
<p>4.2 Subsequent appointments and a review of the terms of reference will take place at their first meeting following the Annual General Meeting (AGM) in each year, and will determine the members of the Sub-Committee until the next following AGM.</p>

5. Casual Vacancies

5.1 The Board of Directors shall fill casual vacancies occurring in membership of the Committee.

6. Chair

6.1 The Committee shall elect a chair for its meetings.

6.2 If at any meeting the committee's chair is not present within 10 minutes after the appointed starting time, the members present may choose one of their number to be chair of the meeting.

7. Frequency of Meetings

7.1 The Committee shall meet at least four times in each year.

8. Voting

8.1. Most Committee decisions can be reached through consensus. Where voting is required, voting at any meeting shall be determined by a show of hands, unless any Director demands a ballot. Questions arising at a meeting shall be determined by a majority of votes of those present. Each Committee member has one vote.

9. Record of Meetings

9.1. The Committee shall ensure that an agreed written record of each of their meetings is made.

9.2. All acts and proceedings of the Committee must be reported to the Board of Directors as soon as possible.

10. Staff Attendance

10.1. Members of staff may, at the Committee's request, attend meetings as required.

11. Review

11.1. Nothing in these terms of reference shall supersede the provisions of the BMC's Articles of Association.

11.2. These terms of reference will be reviewed on an annual basis.

Annex A

List of activities that the Finance & Audit Committee might undertake:

Annual Budget

The Committee shall:

- review the annual budget, prior to its presentation and recommendation to the Board of Directors;
- review and recommend the quarterly forecast, prior to its presentation and recommendation to the Board of Directors.

Budgetary issues

The Committee shall:

- give initial consideration to the budgetary implications of potential new posts in the BMC which are outside the agreed budget and present their views to the Board for approval;
- review proposals on the BMC's pay and pay scales within the framework of the organisation's overall budget and resources and make recommendations to the Board;
- review the financial implications of any capital projects and monitor capital expenditure against the capital budget;
- as requested by the Board, give initial consideration to other activities which have financial implications for the BMC, including, for example, office moves.

Accounts

The Committee has responsibility to:

- review the BMC's financial performance against its financial plan and budget;

- review the Annual Report and Accounts before it is finalised and presented to the Board and the AGM;
- review the accounts on a quarterly basis;
- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- review the final preparation of the annual accounts prepared by auditors; and
- consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal.

External audit

The Committee shall:

- oversee the BMC's relations with the external auditor;
- consider, and make recommendations to the Board on the appointment, reappointment and removal of the external auditor;
- approve the terms of engagement and the remuneration to be paid, if any, in respect of audit services provided;
- assess the qualification, expertise and resources, effectiveness and independence of the external auditors annually;
- discuss with the external auditors, before the audit commences, the nature and scope of the audit;
- review, with the external auditors, the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit adjustments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors remain unadjusted, prior to such reports being considered by the BMC's Board of Directors;
- review the audit representation letters before consideration by the BMC's Board of Directors;
- discuss with the external auditors their views on the strengths and weaknesses of the BMC's systems of internal control;
- assess, at the end of the audit cycle, the effectiveness of the audit process; and
- review and monitor the formal report from the external auditors of their audit findings, and the responses, where appropriate.

Internal control, risk management and monitoring

The Committee shall:

- review management and audit reports, if any, on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- monitor the integrity of the BMC's internal financial controls;
- review the organisation's procedures for detecting fraud and whistleblowing, and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- review the statement in the BMC's annual financial statements on the organisation's internal control and risk management framework;
- assess the scope and effectiveness of the systems established by the BMC to identify, assess, manage and monitor financial and non-financial risks; and
- review the BMC's reserves levels and policy and make a recommendation to the Board should it consider any changes necessary.

Investment and banking issues

The Committee shall:

- monitor the performance of any investments; and
- keep under review the banking arrangements of the BMC and recommend changes as necessary.

Reviewed by Committee	May 2018
Agreed by the Board of Directors	19 July 2018