

Terms of Reference for the Finance & Governance Committee

Reviewed and updated by Baker & Mackenzie October 2017

Last Reviewed by F&GC 26 February 2019

Approved by UNA-UK Board 13 March 2019

There shall be a Finance & Governance Committee which shall report to the Board.

1. Responsibilities

The Finance & Governance Committee will be responsible for:

1.1. Audit

- a) external audit strategy and external audit reports, including the responses to the external auditor's management letter;
- b) integrity of financial statements; ensuring best practice in both internal and external financial reporting;
- c) recommendations on the appointment of the auditor;

1.2. Financial controls and systems

- a) reviewing and recommending annual draft budget;
- b) reviewing and assessing internal financial controls and procedures, including through the appointment of a dedicated internal auditor;
- c) assessment and management of risk, including a full review of the risk register on an annual basis;
- d) reviewing the financial and investment affairs of the charity and recommending to the Board any action needed;
- e) reviewing the charity's investment policy on an annual basis;

1.3. General

- a) reviewing the charity's policies and practices, including staffing matters and advising the Board on any changes that may be needed;
- b) reviewing the organisational structure of the charity, including in respect of supporters and membership categories, and making recommendations to the Board in respect of the same; and
- c) any other management, governance or financial matters referred to it by the Board.

2. Committee composition and attendance at meetings

2.1. The Finance & Governance Committee shall consist of:

- a) A Chair, who, being a director under Article 32(1) of the charity's articles of association (or any replacement provision of the articles of association), shall be appointed to the Committee by the Board. The appointed Chair shall also hold the post of Honorary Treasurer for his or her period of office;
- b) A Deputy Chair, who, being a director under Article 32(1) of the articles of association of UNA-UK (or any replacement provision of the articles of association), shall be appointed to the Committee by the Board on an annual basis. The Deputy will chair the Committee meetings if the Chair is absent;
- c) The Executive Director (as defined by the articles of association) appointed by the Board from time to time;
- d) A minimum of two further members, who, subject to paragraph 2.3 below, shall be appointed by the Committee having been selected for their relevant function expertise (e.g. financial, investment, management, accountancy, audit and risk).

- 2.2. Notwithstanding that non-directors may take part in the activities of the Finance & Governance Committee and advise the Committee on matters relating to their relevant function expertise as described in paragraph 2.1(d) above, non-directors shall not form a majority on the Committee. For the avoidance of doubt, membership of the Committee shall not confer on a non-director any power or authority to represent UNA-UK or to hold himself out as its agent.
- 2.3. Committee members are required to be either UNA-UK Ordinary Members or Voting Members (as defined in the articles of association) whilst they are members of the Committee.
- 2.4. All Committee members holding the positions set out in paragraphs 2.1(a) and (d) may serve for an initial term of three years, followed by a further term of three years. Following the expiry of such further term, there will be a break of two years before the Committee member may again be eligible for re-election.
- 2.5. Subject to paragraph 2.6 below, the Committee shall have the power to appoint and terminate the appointment of Committee members holding those positions set out in paragraph 2.1(d).
- 2.6. The Board shall formally approve membership of the Committee on an annual basis.
- 2.7. UNA-UK's Secretary will attend Committee meetings in a non-voting capacity and will not become a member of the Committee by virtue of his attendance.
- 2.8. Other relevant members of staff may attend Committee meetings as appropriate. Their attendance will be in a non-voting capacity and they will not become members of the Committee by virtue of their attendance.

3. Committee meetings

- 3.1. The Committee will meet at least three times a year.
- 3.2. No decision may be made at a meeting of the Committee unless a quorum is present. The quorum for a meeting of the Committee will be three Committee members, of which at least two shall be directors of UNA-UK. The term "present" includes being present by suitable electronic means.

4. Conflicts of Interest

- 4.1. All members of the Committee must exercise good faith and avoid participation in any activity of the Committee where there exists an actual or perceived conflict of interest. Such conflicts may exist for example, where a Committee member is also a director and matters of pay and/or conditions relevant to such director are being considered by the Committee.
- 4.2. With respect to Committee decisions, members of the Committee who become aware of circumstances that pose an actual or potential conflict of interest must recuse themselves from the decision-making process and take no part in the discussion or vote. If the member advises the Chair that he or she wishes to be recused from the decision-making process, the Chair will honour the member's decision and the recusal will be noted in the minutes.
- 4.3. Members of the Committee shall not disclose any confidential or proprietary information provided to them in the course of the activities of the Committee, except insofar as they are obliged by applicable law or regulation to do so.

5. Effective date

These Terms of Reference took effect on 13 December 2017, with paragraph 2.2 coming into effect on 1 June 2018.