**Women in Prison**

Finance, Audit and Risk Committee

**Terms of Reference – for consultation with Finance Audit and Risk Committee and then approval by the Board**

**Committee Name:**  Finance, Audit and Risk

**Membership:**

A minimum of 3 board members will form the committee. At least one member of the finance, audit and risk committee shall have significant, recent and relevant financial experience. Appointment of committee members will be approved by the Board. Membership will include the Treasurer and a co-chair or vice chair of the Board.

There may be up to 4 co-opted members onto the committee who are not board members. The committee will propose co-opted members, who will be approved by the Board. The Committee may decide to recruit additional Women in Prison staff members on a rolling basis as a development opportunity for staff.

Appointments will be for an initial 3 years, and a subsequent 3 years may be agreed to on approval by the Board.

The maximum number of committee members will be 8 at any one time.

**Chairing:**

The committee must be chaired by the Treasurer of Women in Prison who shall be appointed by the Board.

**Executive attendance:**

The meetings will be attended by the Chief Executive, Director of Finance and Resources and PA and Board Secretary regularly. Ad hoc attendance may be required from the Head of Finance and/or other members of staff depending on the agenda item under discussion.

**Frequency of meetings:**

The committee will meet on a quarterly basis and in advance of board meetings unless an ad hoc meeting is called by the Chair.

**Quorum:**

There must be a minimum of 3 members in attendance for the meeting to be quorate, 2 of whom must be board members. Members must be present or capable of full participation in discussions. A decision can be taken by the Committee if all members present are in agreement. The committee can make a decision by email between members if all members are in agreement. If any committee member disagrees with a proposal, then the proposal must be taken to the full board to consider.

**Minutes:**

Meetings will be minuted by the PA and Board Secretary

**Reporting to Board:**

The sub committee will report to the Board on a quarterly basis. Minutes of each Committee meeting will be shared to the board at least 4 weeks after the meeting has taken place unless there are privacy and confidentiality reasons that prevent disclosure beyond the members of the Committee. At each full board meeting Chair of the Committee shall report to the Board on matters within its duties and responsibilities.

**Purpose:**

The Finance, Audit and Risk Committee is a sub-committee of the board, to which it reports directly. It assists the board in fulfilling its oversight responsibilities, and has key responsibilities for:

* Ongoing monitoring and review of financial performance
* Reviewing the systems of internal financial control
* Identifying, managing and reporting of organisational risk
* Ensuring Women in Prison is compliant with relevant legal and regulatory requirements, along with good practice
* Appointing and monitoring the performance of Women in Prison’s external auditors

**Governance and Resources:**

* The Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether it receives adequate and appropriate support in fulfilment of its role and if its annual plan of work is manageable.
* The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions.
* The Committee shall have access to sufficient resources to undertake duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.
* In addition to the duties listed below, and subject to the express approval of the chair, the committee has the authority to:
* Obtain outside legal or independent professional advice, at the charity’s expense

**The duties of the committee shall be:**

1. **General**

* To provide the board with clear information and guidance as to how it should proceed in any matters delegated to it
* To advise the board of financial implications arising from the board’s strategic and policy decisions

1. **Financial reporting**

* To review management accounts including cashflow and ongoing financial performance and report back to the board
* To review the annual budget and recommend to the board for approval
* To review the annual accounts and impact reports and recommend to the board for approval
* To review expenditure greater than £25K and provide recommendations to the board to align with the scheme of delegation

1. **Policies**

* To review the reserves policy annually to ensure that the policy continues to be in line with Women in Prison’s strategic plan
* To review the financial policies and procedures of Women in Prison and establish that the current internal procedures of the organisation are appropriate
* To review the scheme of delegation

1. **Internal controls and risk management**

* To monitor the integrity of the charity’s internal financial controls
* To assess the scope and effectiveness of the systems established by the leadership team to identify, assess, manage and monitor financial and non-financial risks
* To be advised of any instance of fraud or financial misdemeanour, either within or affecting Women in Prison and confirm that satisfactory action has been taken
* To review the charity’s procedures for detecting fraud or whistle blowing and confirm 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
* To review the statement in the charity’s annual financial statements on the charity’s internal control and risk management framework
* To review the risk register on a regular and consistent basis

1. **External audit**

* To oversee the charity’s relationship with the external auditor
* To consider, and make recommendations on the appointment, reappointment and removal of the external auditor
* To approve the terms of engagement and the remuneration to be paid, if any, in respect of audit services provided
* To assess the qualification, expertise and resources, effectiveness and independence of the external auditors annually
* To discuss with the external auditors, before the audit commences, the nature and scope of the audit
* To 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 leadership and, where necessary, the external auditors as to why certain errors remain unadjusted
* To review the audit representation letters before consideration by the board, giving particular consideration to matters that relate to non-standard issues
* To discuss with the external auditors their views on the strengths and weaknesses of the systems of internal control
* To review and monitor the formal report from the external auditors of their audit findings, and the responses, where appropriate, from the leadership team