



**VICTIM
SUPPORT**

FINANCE, AUDIT AND RISK COMMITTEE

Terms of Reference

Purpose

The Finance, Audit and Risk Committee is a permanent sub-committee of the Board of Trustees. The Finance, Audit and Risk Committee shall have authority hereby delegated to it by the Trustees to monitor, report to the Trustees and make recommendations as required on all matters of their responsibilities including the following:

Finance

1. Give assurance to the Board on the suitability and appropriateness of Victim Support's financial strategy and policies within the context of its overall objectives and strategy as set by the Board. This includes: i) reviewing Victim Support's financial plans and budgets; ii) monitoring financial performance against budget; iii) reviewing funding, banking and other financing arrangements; iv) approval of capital projects in excess of £100,000 and other major commitments.
2. Consider and recommend to the Board the annual income and expenditure budget for the forthcoming year.
3. Monitor actual income and expenditure and cash flow throughout the year.
4. Monitor the projected financial outturn for the year compared with budget.
5. Review Victim Support's long-term forecasts of income and expenditure.

Reserves and investment

6. Review annually Victim Support's financial policies, including its Reserves Policy.
7. Review annually Victim Support's Investment Policy and the achievement of investment return targets.
8. Oversee the appointment of and the relationship with investment advisers.

Income generation

9. Approve the income generation plan and review on an annual basis.
10. Monitor Victim Support's income generation strategy and practices.
11. Ensure that fundraising is carried out in compliance with legal requirements.
12. Review annually the financial plans and performance of Victims Support Ltd.

Internal control and risk management

13. Keep under review the adequacy and effectiveness of the charity's internal controls along with its internal control and management systems (inc. Quality Management System).
14. Regularly review the charity's corporate risks and receive regular reports from management providing information on the management of major risks faced by the charity.
15. Review the internal controls and risk management systems including specific audit reviews for major or high-risk projects.
16. Investigate on behalf of the Board of Trustees any matter that may put the charity at risk and undertake deep dives or areas more closely look into of specific concern.

Internal audit

17. Oversee the selection process for new internal auditors and if the internal auditors resign investigate the issues leading to this decision and ascertain whether any action is required.
18. Oversee the relationship with the internal auditors and in particular:
 - 18.1. Approve their terms of engagement and regularly assess their independence and objectivity.
 - 18.2 . Ensure systems are in place to provide assurance and receive reports and report to the Board on matters of concern.
 - 18.3 Ensure coordination with the activities of the external audit function.
 - 18.4 Approve the internal audit plan.
 - 18.5 Review and monitor management responses to the findings and recommendations of the internal auditors.
 - 18.6 Meet regularly with the internal auditors who will be invited to attend relevant Finance, Audit and Risk Committee meetings. Minutes of all Finance, Audit and Risk Committee meetings shall be circulated to the internal auditors.
 - 18.7 Conduct "closed sessions" (in the absence of management) with the internal auditors before each Committee meeting that internal auditors are bringing a report to, to allow any issues arising from internal audit to be discussed.
 - 18.8 Attend or receive reports from the Quarterly Management Review meetings to ensure operational oversight and quality assurance.

External audit

19. Make recommendations to the Board (for approval at the AGM) in relation to the appointment, re-appointment and removal of the charity's external auditors.

20. Oversee the selection process for new external auditors and if the auditors resign, investigate the issues leading to this decision and ascertain whether any action is required.
21. Oversee the relationship with the external auditors and in particular:
 - 21.1. Make recommendations to the Board on their remuneration, whether for audit or non-audit services
 - 21.2. Review and recommend to the Board for approval their terms of engagement
 - 22.3 Review and approve the plan for external audit
 - 21.3 Annually assess their independence and objectivity
 - 21.4. Ensure coordination with the activities of the internal audit function
 - 21.5. Meet regularly with the auditors who will be invited to attend all Finance, Audit and Risk Committee meetings. Minutes of all Finance, Audit and Risk Committee meetings shall be circulated to the auditors.
 - 21.6. Conduct “closed sessions” (in the absence of management) with the auditors before each Committee meeting that the auditors are presenting to, to allow any issues arising that the auditors may be able to advise on to be discussed.
 - 21.7. Following the audit, review with the auditors:
 - Any major issues which arose during the audit
 - Any accounting and audit judgements
 - Levels of errors identified during the audit
 - The effectiveness of the audit
 - 21.8. Responsible for reviewing any representation letter(s) requested by the auditor before they are signed on behalf of the Board.
 - 21.9. Responsible for reviewing the management letter and management responses to the auditors’ findings and recommendations (post audit report).
 - 21.10 Recommend to the Board the adequacy of the control environment as part of the Trustee Annual Report.

Whistleblowing, anti-fraud and corruption

22. Review the adequacy and security of the charity’s arrangements for its employees, volunteers (including trustees) and external stakeholders to raise concerns about possible serious malpractice.
23. Review the charity’s arrangements in relation to anti-fraud and corruption.

Quality assurance

24. Keep under review the adequacy and effectiveness of the charity’s quality assurance systems.

Governance and finance reporting

25. Ensure the effectiveness of the organisation's charitable and corporate governance arrangements and that they are compliant with charity and company law.
26. To review the Trustees' Annual Report and audited financial statements of the Charity and recommend them to the Board for approval.
27. To review the level of financial delegation.

Structure and composition

28. The Finance, Audit and Risk Committee shall consist of up to seven members including at least three Trustees. It may include up to two non-Trustee members.
29. At least two members of the Finance, Audit and Risk Committee shall have recent and relevant financial experience as a qualified accountant. The Treasurer will be a member of the Committee.
30. Appointment shall be made by the Board of Trustees. The Board shall appoint the Chair of the Finance, Audit and Risk Committee who shall be a Trustee. In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting.
31. Members of the Finance, Audit and Risk Committee Shall be appointed for a fixed term of up to three years, with a possibility of renewal up to six years.

Meetings and proceedings

32. The Finance, Audit & Risk Committee shall meet (at least) quarterly in advance of each Board meeting at appropriate times in the reporting cycle and otherwise as required.
33. The quorum for Finance, Audit & Risk Committee meetings is three members, two of whom must be a Trustee and one of which should have recent and relevant financial experience.
34. Staff will be invited to attend the Committee meetings as and when necessary. There will be a standing invite for the Director - Finance and People and the Chief Officer.
35. A member of staff will take minutes and note action points at each Committee meeting. Once approved by the Committee Chair, minutes of the Committee shall be circulated promptly to all members of the Committee.