

## ● Terms of reference

### Finance Committee

1. The government of the Society is entrusted to the Council, subject to the provisions of the Charter and Bye Laws
2. The Society's Bye Laws provide that there may be working committees of the Council, to be arranged as necessary by the Council
3. The Council designates the Finance Committee as a working committee of the Council within the meaning of the Bye Laws.

### Role of the Finance Committee – scope and authority

The purpose and scope of the Finance Committee shall be to:

#### ***Review the finances of the Society***

- Ensuring the ongoing solvency of the Society, and that its spending is appropriate to its income. This will include monitoring the Society's financial performance against the Annual Budget approved by the Council.
- Scrutinising the Society's income and expenditure, ensuring that they are consistent with the Society's objects and the Annual Budget, and making such recommendations as the Committee sees fit.
- Ensuring that RGS Enterprises Limited, a wholly-owned subsidiary of the Society, has in place a Board that provides appropriate governance of its activities and ensures that they are consistent with, and support, the wider objectives of the Society. The Chair of the Board of Directors will be a member of the Committee.
- Reviewing the Society's draft annual budget and making such recommendations to the Council, including whether or not to approve the draft budget, as the Committee deems fit.
- Ensuring that the Society's accounts are properly prepared and audited on an annual basis. This will include reviewing the draft accounts and letter of representation and making such recommendations to the Council, including whether or not to approve the draft accounts, as the Committee deems fit.

#### ***Ensure there are proper financial systems and controls in place***

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- Ensuring that the Annual Budget is in place, and that there are proper procedures to monitor, sanction or reject non-budgeted spending by the Society.
  - Ensuring that adequate financial controls are in place for recording and controlling the Society's financial transactions. This will include reviewing and considering any recommendations and comments made by the auditors.

***Monitor the Society's Investments, including investment strategy and performance.***

- In order to monitor the Society's investments, the Committee will establish, and provide oversight of, an Investment Sub-Committee.
- The Investment Sub-Committee, which will include persons with specialist investment knowledge and experience, will be a sub-committee of the Committee and its Chair will be a member of the Finance Committee.

***Review such other matters as are reserved to the Committee by the Council or the Executive Committee.***

***Provide ongoing support to the Director and Senior Management of the Society in respect of matters within the Committee's scope.***

In addition to those matters listed above, the Council and the Executive Committee may reserve to the Committee the review and monitoring of such matters as it considers appropriate. This is expected to include operational (for example related to running the Society's premises) and regulatory matters (for example related to the Society's compliance with Charity Commission Guidance) that does not fall within the scope of the other Committees of Council.

## **Membership and meetings**

The Members of the Committee shall be:

Treasurer

President

Director

Head of Finance

Chair of the Investment Sub-Committee

Chair of the Board of Directors of RGS Enterprises Limited

Chair of the Pension Trustees

Such other persons as are appointed to be members of the Finance Committee ("Additional Members").

Further, each of the Chairs of the Council's designated Working Committees shall be ex-officio members of the Committee.

The Chair of the Pension Scheme is advised to recuse themselves from Finance Committee discussions on any matters relating to the pension scheme due to the potential conflict of interest.

The Treasurer may appoint and dismiss Additional Members of the Committee at any time, except that the total membership of the Committee (excluding ex-officio members) must not exceed 10. In appointing or dismissing those persons the Treasurer will consult with other members of the Committee.

Additional Members will be appointed for a term of three years, subject to the power of dismissal. At the end of that period, the appointment may be renewed, however, no Additional Member may serve more than two consecutive three-year terms.

Additional Members may at any time resign from the Committee.

The Committee may invite other persons to attend and participate in meetings (in whole or in part) but those persons shall not be permitted to vote.

Any member of the Committee may request that a meeting is held. Notice of such a meeting must be sent to all members and must be reasonable in the circumstances.

The quorum for a meeting is three, including at least one of the Treasurer or the President.

The Treasurer shall chair meetings of the Committee. In the absence of the Treasurer the President shall chair a meeting of the Committee.

Meetings may be held and decisions made in whatever form the Committee deem fit, including in person, by telephone and by email. A decision may be made by the Committee by email circulated to all members.

Decisions will be taken by majority vote. In the event of a tie, the Treasurer shall have the casting vote. In the event of a tie and the absence of the Treasurer, the President shall have the casting vote.

### **Recording and Reporting of Decisions taken by the Committee**

The Committee shall maintain a permanent record of its meetings and decisions.

The Committee shall provide a report to the Council, at each Council Meeting, setting out its activities and informing the Council of each of its decisions. That report may be made in writing, including by way of providing minutes of the Committee's meetings, or orally and shall be given by the Treasurer or another trustee nominated by the Treasurer.

### **Term of this Authority**

This paper is approved by the Council for a period of three years after which it will automatically lapse unless renewed by the Council.

In any event, the Council may, by ordinary resolution, revoke or amend this authority as it deems fit.