

## **Terms of Reference for the Finance and Audit Subcommittee of the Board**

**October 2008**

### **Role**

The Finance and Audit Subcommittee supports the Board with its governance responsibilities and makes recommendations to the Board.

The Finance and Audit Subcommittee supports the Board with its responsibility to ensure that the Institute efficiently conducts and manages its resources, its projects and activities in accordance with the Institute's Constitution, Strategic Plan and Business Plan.

In particular, the Subcommittee oversees the organisation's performance to ensure that the Institute:

- Maximises its financial and other resources and uses these resources efficiently and effectively.
- Has adequate financial management systems and internal control structures to discharge its corporate governance and financial management responsibilities.
- Undertakes effective and efficient planning, monitoring, and reporting of finances and other resources.
- Complies with accounting policies and standards, applicable laws and regulations and with BMWHI policies and procedures.

### **Objectives**

The Finance Subcommittee will:

- Have as a major focus for first six months, supporting the Executive Director and staff in the development and implementation of a fundraising strategy for the Institute, focusing on securing benefaction and sponsorship.
- Ensure that the Strategic and Business Planning processes within the Institute are adequate for the needs and objectives of the Institute.
- Review the external auditor's management letter and management's response.
- Receive and consider information about BMWHI financial and resource management performance, operations and policy, including regular, comprehensive and accurate financial and other resource management reports.
- Evaluate and monitor the performance of BMWHI financial and other resource management systems and strategies to ensure compliance with agreed budgets and performance targets as well as applicable professional standards.
- Provide information and recommendations to the Board with regard to BMWHI financial performance and position, financial and other resource planning, any significant variation in activity, and compliance with agreed strategies and standards.

### **Members:**

Subcommittee members will be BMWHI Board Directors or the staff of member organisations nominated by a Board Director, and employees of the Institute.

Members will be appointed by the Board. Staff members will be appointed by the Board following consultation with the Executive.

Membership of the Subcommittee will comprise:

- At least three Directors, one of whom will be the Chair of the Subcommittee
- Staff of member organisations nominated by a Board Director
- BMWHI Executive Director & BMWHI Business Manager

Members of the Subcommittee will be appointed for a term of 12 months, with the opportunity for renewal.

The Subcommittee may invite others with relevant expertise to attend meetings as required.

All Board Directors and the Executive Director may attend.

### **Meeting process**

The Finance Subcommittee will meet quarterly, either in person or by teleconference, once between each board meeting.

A quorum will be three members. All meetings must have a Board Director present.

In the absence of the Chair of the Subcommittee, the Chair of the Subcommittee or the Chair of the Board of Directors will appoint a temporary Chair, who will be a Board Director.

There is no provision for proxies should members be unable to attend the meeting.

Minutes of the meeting will be endorsed and signed by the Chair of the Subcommittee. Members of the Subcommittee will receive minutes in ten working days.

### **Record keeping**

Record keeping of minutes and papers relating to the meeting are the responsibility of the BMWHI Business Manager. As this is a Board subcommittee, minutes and papers should be permanently archived.

### **Reporting**

The Business Manager and/or Chair of the Subcommittee will provide written quarterly reports to the Board. These will include:

- An accurate overview of the Institute's financial performance and financial position in relation to agreed budgets, management strategies and performance targets.
- Progress towards the development and implementation of financial and resource management strategies to support the BMWHI strategic directions and objectives.
- Compliance with legal and statutory obligations, including the extent to which BMWHI financial and resource management practices, controls and systems are in accordance with applicable professional standards.
- Significant issues to be considered by the Board such as fundraising and other strategies to improve the Institute's financial position.

Minutes of the Subcommittee meetings will be circulated to Board of Directors and included in the meeting papers of the Board for noting.

### **Assessment of Subcommittee performance**

The Chair of the Finance and Audit Subcommittee and the Chair, Board of Directors will conduct an annual self-assessment of the Subcommittee's performance consistent with the desired outcomes specified in its terms of reference.

### **Review of Terms of Reference**

The terms of reference and membership of the Finance and Audit Subcommittee will be reviewed by the Board annually. The Board will periodically review the life of all Subcommittees.

These Terms of Reference were endorsed by the BMWHI Board on October 20, 2008.