

Finance, Assets and Risk Committee

Terms of Reference

Approved By the Bishops' Diocesan Council on [DATE]

1. Place within the Diocesan Organisation

The Bishops' Diocesan Council (BDC) operates both as the Board of Directors of the Truro Diocesan Board of Finance Ltd (TDBF) and as charity trustees. The Finance, Assets and Risk Committee (the Committee) is a committee of the BDC.

The Committee shall operate within such authority as may be delegated to it by the BDC from time to time.

By Resolution dated _____ (“the Resolution”: see clause 9 below) the BDC delegated to the Committee authority to carry out all the functions of the TDBF relating to the areas of responsibility referred to in the Resolution subject to the qualifications set out in the Resolution.

2. Role

The Committee's activities are governed by the scope of the authority delegated to it by the BDC; and these Terms of Reference, and by the relevant ecclesiastical, charity and general law applicable to its activities.

This committee serves the function of the Audit Committee.

3. Duties.

The duties of the Committee are:

- To ensure that the Truro Diocesan Board of Finance (TDBF) operates appropriate policies and controls with regard to finance, accounting, assets, and the management of risk, including compliance with the statutory financial and company reporting disciplines (including the Annual Report and accounts). And to monitor the application of these policies, receiving regular reporting and carrying out detailed scrutiny on behalf of the BDC. Alerting the BDC to matters of note, where appropriate.
- To specifically review and approve the statements to be included in the annual report concerning financial controls, risk management and the viability statement.
- To specifically review the whistleblowing and complaints arrangements with regard to financial reporting and other relevant matters, including reviewing processes for fraud and bribery prevention.
- To carry out the functions of an Audit Committee:
 - To consider and make recommendations to the board in relation to the appointment, re-appointment and removal of the TDBF's auditors.

- To develop and oversee the selection procedure for the appointment of the audit firm in accordance with the relevant regulatory requirements.
- To approve remuneration and terms of engagement of the auditor, including scope of audit. Reviewing their performance annually. Meeting with them annually, at least twice, with one meeting held without officers present.
- To review the findings of the annual audit report and monitor their implementation.
- To provide appropriate scrutiny and oversight for executive officers, with particular reference to an agreed scheme of delegation to officers.
- To ensure that the strategic frameworks for the management of investment, property, and Glebe, are fit for purpose.
- To see that the vision and strategy of the diocese, as described by the Episcopal College and promoted by the Bishops Diocesan Council, is well served through the approach of the Board to finance, assets and risk.
- To receive and consider a draft budget from officers and to make recommendations in that regard to the BDC.
- Working with other committees as and when appropriate to further the objectives and purposes of the TDBF.

4. Composition

The Committee shall consist of:

- The Chair – The Chair of the Board of Finance
- BDC nominated members – not less than 3 and not more than 6 members of the BDC.
- Other independent members, appointed on the basis of their experience and knowledge of relevant matters. These roles are appointed by the Governance Appointments Panel in consultation with existing members of the Committee. #

It is expected that at least one member will be a chartered or certified accountant.

The Chair of the TDBF is appointed by the BDC in consultation with the Governance Appointments Panel and with the agreement of the Bishop of Truro.

A member may be disqualified from membership of the Committee if they fail to attend two consecutive meetings without giving apologies.

In attendance at meetings of the Committee:

The Diocesan Secretary or their deputy

The Director of Finance and Assets

Committee secretary

The Diocesan Secretary or their deputy and the Director of Finance and Assets shall attend meetings of the Committee and participate in discussions unless debarred from doing so on any particular issue by ruling of the Chair, but shall not be entitled to vote.

5. Tenure

All members of the Committee other than the Chair (who shall hold office for so long as he or she is Chair of the TDBF) shall be appointed for a three-year term and may serve up to two further terms if approved for one or more further terms beyond the first by the BDC and the Governance Appointments Panel. No member shall serve more than nine consecutive years on the Committee, unless the BDC and the Governance Appointments Panel consider that there is a special reason for an extension.

6. Meetings

The Committee meets 11 times per year (monthly, except August), or at other times as needed in the opinion of the Chair.

The Committee shall be quorate if over half of the committee members are present, including the Chair or a nominated deputy.

In the absence of the Committee Chair the remaining members shall elect one of themselves to chair the meeting.

All appointed members, but not officers in attendance, are eligible to vote. In the event of a tie the Chair will have the casting vote.

Meetings may be physical or virtual, and business may be conducted by email or other means between meetings as follows:

“Chair’s business”: Some urgent business may also be conducted by email between Meetings or, if reasonably necessary, by the Chair acting in consultation with the Director of Finance and Assets or the Diocesan Secretary.

A written record of all such business transacted should be included in the minutes of the next meeting of the committee.

7. Reports

The Committee shall receive and review reports from the Investment, Property and Glebe management committees after each of their meetings and report briefly thereon, and on its own activities, at each meeting of the BDC, raising any matters of concern for consideration by the BDC.

The Committee shall prepare an annual report to the BDC to include:

- A report on the work of the Committee to show effective fulfilment of its duties.

- A review of the specific areas of the Committee’s work during the year.
- Such other matters as shall, in the opinion of the Chair, be appropriate for consideration by the BDC.
- The Committee’s views on whether any, and if so, what amendments may be necessary or appropriate to these Terms of Reference and / or the scope of its delegated authority.

The Committee may also present recommendations or reports to the BDC outside of its usual reporting cycle, if thought reasonably necessary or appropriate by the Chair.

8. Professional Standards

The members of the Committee should at all times act in accordance with relevant professional and legal standards including those for data security, safeguarding, declaring any conflicts of interest, and respectful treatment of all colleagues and those with whom they interact. They shall be asked to abide by the Code of Conduct for TDBF Boards and Committees.

9. Delegation of Authority

By Resolution dated _____ the BDC resolved as follows:

“ Resolved that:

1. Subject to clause 2 below, the Bishops’ Diocesan Council (BDC), acting as the board of directors of the Truro Diocesan Board of Finance Limited (TDBF) and as charity trustees, hereby delegates to the Finance, Assets and Risk Committee (“the Committee”) authority to carry out all the functions of the TDBF relating to:

1. To ensure that the Truro Diocesan Board of Finance (TDBF) operates appropriate policies and controls with regard to finance, accounting, assets, and the management of risk, including compliance with the statutory financial and company reporting disciplines (including the Annual Report and accounts). And to monitor the application of these policies, receiving regular reporting and carrying out detailed scrutiny on behalf of the BDC. Alerting the BDC to matters of note, where appropriate.
2. To specifically review and approve the statements to be included in the annual report concerning financial controls, risk management and the viability statement.
3. To specifically review the whistleblowing and complaints arrangements with regard to financial reporting and other relevant matters, including reviewing processes for fraud and bribery prevention.
4. To carry out the functions of an Audit Committee:

- a. To consider and make recommendations to the board in relation to the appointment, re-appointment and removal of the TDBF's auditors.
 - b. To develop and oversee the selection procedure for the appointment of the audit firm in accordance with the relevant regulatory requirements.
 - c. To approve remuneration and terms of engagement of the auditor, including scope of audit. Reviewing their performance annually. Meeting with them annually, at least twice, with one meeting held without officers present.
 - d. To review the findings of the annual audit report and monitor their implementation.
5. To provide appropriate scrutiny and oversight for executive officers, with particular reference to an agreed scheme of delegation to officers.
 6. To ensure that the strategic frameworks for the management of investment, property, and Glebe, are fit for purpose.
 7. To see that the vision and strategy of the diocese, as described by the Episcopal College and promoted by the Bishops Diocesan Council, is well served through the approach of the Board to finance, assets and risk.
 8. To receive and consider a draft budget from officers and to make recommendations in that regard to the BDC.
 9. Working with other committees as and when appropriate to further the objectives and purposes of the TDBF.

2. This delegation of authority is subject to the Committee complying with the following conditions:

2.1 The Committee must act at all times in accordance with its Terms of Reference as approved by the BDC from time to time and with the ecclesiastical and general law.

2.2 All decisions of the Committee, save decisions of the Chair relating to Chair's Business as defined in clause 2.4 below, shall be taken by the members of the Committee acting jointly.

2.3 Disagreements by members of the Committee may be resolved by a majority vote reached in accordance with the Committee's Terms of Reference, but dissenting members shall nevertheless agree to be bound by the decision of the majority such that the resulting decision shall be deemed to be taken by all members acting jointly.

2.4 Where, in the reasonable opinion of the Chair, urgent business to be known as "Chair's Business" cannot await the next meeting of the Committee and the views of a sufficient number of members capable of forming a majority cannot be obtained by email or in some other appropriate manner, the Chair is hereby authorised to act alone if of the opinion that it is reasonably necessary to do so in the best interests of the TDBF. Ratification by the Committee of all and any such actions shall be obtained by the Chair at the earliest reasonable opportunity.

3. This delegation of authority shall become effective on [DATE] and shall remain in force for a period of [] until [DATE] unless terminated prior to that date by further resolution of the BDC. At the meeting of the BDC prior to the termination date

the BDC will consider whether to extend this authority for a further period on the same or some other terms.

4. The Committee [is / is not] exempt from the requirement to take appropriate professional advice before reaching any decision relating to the investment of funds or other assets or the creation or disposal of any interests in land or other property belonging to the TDBF.”

The Committee is authorised to

9.1 Seek any information it requires from any employee or contractor of the TDBF in order to perform its duties;

9.2 Obtain, at the TDBF's expense, independent legal or other professional advice on any matter it believes it necessary to do so;

9.3 Call any employee or contractor to be questioned at meeting of the Committee as and when required;