

Finance and Risk Committee – Terms of Reference

Approved by the Board:	1 st April 2022
Effective Date:	1 st April 2022
Next Review Date:	TBC

What it does:

This Terms of Reference (ToR) outlines the purpose, proceedings, function, powers, reporting for members of the Finance & Risk Committee (FRC).

1. Introduction

- 1.1.** The Board of Trustees of the Landscape Institute (LI) as empowered by the By-Laws of the Landscape Institute has constituted and established Finance & Risk Committee (FRC) with the authority, responsibilities, and specific duties described in this Terms of Reference (ToR) and Guidance.

2. Function

- 2.1.** The responsibilities of the FRC are:
- i. Financial planning and reporting
 - ii. Financial policies and procedures
 - iii. Internal control and risk management
 - iv. External Audit
 - v. Oversight of strategic projects/major projects
 - vi. Any other responsibility as may be assigned by the Board.

3. Membership and Proceedings

- 3.1.** Membership shall be a minimum of three (3) and a maximum of five (5) including the Honorary Treasurer.
- 3.2.** The Committee shall be chaired by the Honorary Treasurer¹ or such other qualified person as determined by the Board.
- 3.3.** Other members of the Committee shall be appointed by the Board and shall consist of:
- i. Two Trustees who are members of the Institute
 - ii. Two Independent Trustees
 - iii. Up to one non-Trustee can be co-opted to address a gap or an identified skill shortage in the Committee.
- 3.4.** The CEO and key Senior Leadership Team members would attend and provide the appropriate support to the Committee.²
- 3.5.** Quorum for meetings shall be 3 members of the Committee of whom two must be Trustees of the LI.
- 3.6.** The Committee shall meet at least four times a year usually via digital format.
- 3.7.** Decisions will be by simple majority of those members of the Committee present.
- 3.8.** The Committee may take decisions in between meetings either in writing or via any form of electronic means.
- 3.9.** The meetings of the FRC must be held in private and documents, deliberations, and decisions are confidential.
- 3.10.** The minutes of the meetings the FRC shall be documented and circulated to members of the Finance & Risk Committee. The minutes shall not be published on the LI Members web pages. Minutes and a summary of key decisions and recommendations of the FRC shall be regularly reported to the Board.
- 3.11.** The profile of the committee is to be formally reviewed every 4 years.

4. Conduct

- 4.1.** Meetings of the FRC will be conducted in accordance with the provisions of the LI Charter, By-Laws, Regulations and Rules and any relevant Terms of Reference, policies, procedures, guidance notes, codes, including, but not limited to, the LI's Working Together Policy.
- 4.2.** Any potential or actual conflicts of interest must be notified to the Chair of the Committee in advance of a discussion on the relevant item. The Chair will be guided by the LI's Conflict of Interest Policy in managing the conflict or potential conflict of interest.

5. Appointment and Terms³

- 5.1.** Subject to the LI's Election Regulation and procedures, persons appointed to the Committee can serve an initial term of 2 years followed by further two terms (for a maximum of 6 years) subject to satisfactory performance reviewed at the end of each term by the Board.
- 5.2.** Members of the FRC will also be appointed directors of Landscape Services Ltd (LSL), in order to facilitate regular directors' meetings of the trading company and with regard to the similar skill set required of committee members and LSL directors.
- 5.3.** The FRC and/or LSL shall continue until such a time as determined by the Board provided that the function of the FRC and/ or LSL is no longer necessary.

¹ Being a chartered member of the LI elected or re-elected for a 2-year term in accordance with the LI's election procedure in force at the relevant period.

² Typically, the Head of Finance and Head of Governance.

³ All persons appointed to FRC affirm their subscription to the Seven Principles of Public Life (also known as the Nolan Principles) in Appendix 1.

6. Authority and Reporting

In line with its function, the Committee is authorised by the Board to carrying out the duties in the table below:

<p>6.1. Financial planning and reporting:</p> <ul style="list-style-type: none"> i. Review the quarterly management accounts and key performance indicators (KPI) and bring significant matters of performance to the attention of the Board. ii. Have oversight of the overall planning framework and the financial planning assumptions and budgeting framework to support the Institute to achieve its plans and priorities and make recommendations for approval by the Board. iii. Have oversight of business development, investment strategy and income generation. 	<p>6.2. Financial policies and procedures:</p> <ul style="list-style-type: none"> i. Recommend to the Board any new financial or investment policies and ensure the regular review and revision of existing policies. ii. Review the nature and levels of financial delegated authorities annually. iii. Recommend an appropriate reserves policy to the Board iv. To define, with advisors, an appropriate investment strategy, policies and principles and the benchmarks by which they will be measured. v. Have oversight of the strategy for commercial activities and recommend new business opportunities to the Board; vi. Review all major business cases, proposals for new partnerships, joint ventures and strategic alliances, large-scale procurement tenders, evaluations and delivery outcomes. vii. Review and proposed revisions to the Financial Procedures Manual
<p>6.3. Internal control and risk management:</p> <ul style="list-style-type: none"> i. Review the effectiveness of the internal control system and the policies and processes for identifying and assessing business risks and the management of those risks by the Senior Management Team ii. Assess the LI's risk appetite for each major risk areas identified and make recommendations to be discussed with the Board. iii. Seek assurance that the Senior Management Team has adequately considered the key risks and developed appropriate mitigations and ensure they are captured in the LI's Risk Register. iv. Recommend to the Board an annual internal audit program to ensure the effectiveness of the systems for internal control, risk management, financial and performance management information systems, fundraising and procurement management v. Review reports of data breaches and complaints from assigned Data Officer and inform the Board of significant breaches and resolution. 	<p>6.4. External Audit</p> <p>6.4.1. Consider and make recommendations to the Board, for the annual approval in relation to the re-appointment or removal of the LI's external auditors:</p> <ul style="list-style-type: none"> i. Oversee the tender process for new auditors ii. On auditors' resignation, investigate the issues leading to this and decide whether any action is required. <p>6.4.2. Oversee the relationship with the external auditors including but not limited to:</p> <ul style="list-style-type: none"> i. Approving their remuneration, ii. Pre-approval of any fees in respect of non-audit services provided by the external auditor to ensure that their provision does not impair their independence or objectivity. iii. Approve their terms of engagement and scope of the audit. iv. Annually assess their continued independence and objectivity. v. Review and approve annual audit plan and ensure it is consistent with the scope of the engagement. vi. Review and challenge where necessary the actions and judgements of management in relation to the Annual Financial Statements before recommending them to the Board as a true and fair view. vii. Review any letter of representation requested by the external auditors before it is signed by the Chief Executive and the President viii. Review the external audit findings and recommendations and management responses and ensure that they are received on a timely basis. <p>6.4.3. Review the annual accounts prior to their approval by the Board, focusing on:</p> <ul style="list-style-type: none"> i. The Trustees' report and financial statements ii. The going concern assumption iii. Decisions requiring a major element of judgement iv. Significant audit adjustments v. Key accounting policies and practices and any changes in them vi. Compliance with accounting standards, the Charities Statement of Recommended Practices (SORP), the Companies Act and other appropriate legal and regulatory requirements vii. Extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed
<p>6.5. Oversight of strategic projects/major project</p> <p>6.5.1. Assess cost/benefit for projects over £50, 000. Examples include IT infrastructure, education projects etc.</p>	

6.6. The Committee may establish working groups within its remit and delegate to them tasks aimed at achieving its function set by the Board within a specific timeframe.

6.7. The FRC will report at least twice a year to the Board on its activities.

7. Accountability

7.1. The actions of members of the FRC are directly attributable to the Landscape Institute. Therefore, all members of the FRC have a general duty to act in the best interests of the Landscape Institute.

The Seven Principles of Public Life – also known as the Nolan Principles:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Person Specification

Competence	Attributes
Understanding and commitment to the statutory role of the LI	<ul style="list-style-type: none"> • Demonstrates a clear understanding of the role and purpose of the LI • Understands the need for public protection to be at the forefront of decision making • Experience of reviewing budgets and ensuring spend alignment with strategic direction • Experience of reviewing resource implications at a strategic level • Experience of contributing regularly, constructively and with respect for other views to strategic planning or project meetings • Experience at senior levels of considering matters of financial management, investment appraisal, financial strategy and policy • Knowledge of investment management including investment strategy and performance review • Demonstrates an appropriate motivation for undertaking the role • Familiarity with consumer and member issues • Understands the purpose and impact of regulatory action
Working effectively as a team member	<ul style="list-style-type: none"> • Excellent interpersonal and communication skills and strength as a team player • Shows respect for the opinions of others • Contributes constructively and effectively without dominating • Simplifies complexity, communicating clearly with lay persons so they understand key technical issues • Strives for consensus and supports collective decisions • Respects the need to maintain confidentiality
Assessing evidence and making decisions	<ul style="list-style-type: none"> • Engages with detail and assimilates it accurately and quickly and identifying essential issues • Demonstrates advanced analytical capability • Presents arguments clearly and explains reasons for them • Exercises independent judgement to support balanced, evidence-based decisions
Demonstrates fairness	<ul style="list-style-type: none"> • Uses evidence to support opinions • Demonstrates understanding and commitment to equity, diversity and inclusion • Demonstrates an understanding of multiple points of view • Shows commitment to the principles underpinning the work of the LI • Understands and upholds the importance of acting in the public interest • Role model of ethics and integrity, upholding the Nolan principles
Developing skills	<ul style="list-style-type: none"> • Demonstrates commitment to personal development and continuous improvement • Responds constructively to feedback from others • Makes the most of opportunities to expand knowledge and capability • A willingness to devote the necessary time and effort to fulfil the duties of a committee member, to take part in any relevant appraisal scheme and to use digital technology for Committee work (supported by training if necessary)

Standard Agenda Items

Calendar Year – 1st Quarter - Meeting 1

Standard Agenda Items

1. Declaration of Interests
2. Minutes
3. Quarterly Performance Report
4. Management Accounts
5. Business Plan/Budget FY
6. Risk Register Review
7. Membership Fee Renewals (Incl Registered Practice Fee Renewals)

Calendar Year – 2nd Quarter - Meeting 2

Standard Agenda Items

1. Declaration of Interests
2. Minutes
3. Quarterly Performance Report
4. Management Accounts
5. Trustees Annual Report
6. Risk Register
7. Audit/Internal Controls (Financial Statements)
8. Banking Arrangements

Calendar Year – 3rd Quarter - Meeting 3

Standard Agenda Items

1. Declaration of Interests
2. Minutes
3. Quarterly Performance Report
4. Management Accounts
5. Risk Register
6. Receive Remuneration Committee Report

Calendar Year – 4th Quarter – Meeting 4

Standard Agenda Items

1. Declaration of Interests
2. Minutes
3. Quarterly Performance Report
4. Management Accounts
5. Risk Register
6. Reserves, property and Investments