

## Terms of Reference

### CHS Alliance Finance, Risk and Audit Committee

*Version 3.2023. Approved by the Board on 28.03.2023.*

#### 1. **Background**

According to the Statutes of the CHS Alliance Statute, its Board is responsible for setting up Committees and Working Groups as needed, to which it can delegate specific tasks as needed. In relation to Board Standing Committees, the Statutes set forth that the Board will have a standing committee for Finance, Risk and Audit.

It notes that the roles, responsibilities and procedures for each committee are fixed by the Board's approved Terms of Reference (TOR). This document constitutes the TOR for the Finance, Risk and Audit Committee.

#### 2. **Purpose**

Article 26 of the CHS Alliance Statutes notes that the Financial, Risk and Audit Committee oversees the financial dealings and monitors the finances of the Association. It reports to the Board about the financial condition of the Association, and/or any financial irregularities or inefficiencies. It is elected by the Board.

The Board further agreed that the Committee will provide guidance and recommendations to the Governing Board on: finance policies; the adequacy of the risk management; internal controls; corporate fundraising, and finance issues relating to human resources.

#### 3. **Roles and responsibilities**

Assist the Governing Board in its responsibility for:

##### 1. *Financial reporting:*

- Monitor and review the financial reporting process and report regularly to the Board on financial performance of the organisation;
- Review and recommend the annual budget for approval by the Governing Board;
- Ensure the budget is clearly linked to the CHS Alliance's Strategic Plan.

##### 2. *Internal control and risk management*

- Ensure there is an adequate system of internal control;
- Ensure accounting procedures are implemented in accordance with CHS Alliance policies and meet with international accounting, auditing and reporting standards;
- Ensure the Board carries out regular reviews of risks and the proposed mitigating factors;
- Respond as necessary to issues arising from procurement and tendering policies;
- Review and recommend to the Board the remuneration policy for the organisation;

- Recommend, with the Chair, the Executive Director's remuneration package to the Board each year.

3. *External auditors*

- Monitor, review and advise the Board on the external audit process, including the appointment and remuneration of external auditors;
- Receive and review audit reports and agree on the resulting management letter;
- Ensure that the audit is approved by the Board and that the management letter recommendations are implemented.

4. *Compliance*

- Ensure all finance and auditing is in compliance with applicable Swiss laws and regulations.

5. *Strategic finance, internal communication and reporting*

- Contribute to the CHS Alliance Ethical Fundraising Policy;
- Review and make recommendation on the CHS Alliance Corporate Fundraising Strategy;
- Ensure adequate internal communication and reporting on finance matters.

4. **Committee composition and selection**

Members of the Finance, Risk and Audit Committee are appointed by the CHS Alliance Board.

The Committee will have a maximum of six (6) members. Four (4) members will be members of the CHS Alliance Board and two (2) independent members elected by the Board, either based on nominations received from full or associate members of the CHS Alliance or based on nominations received from

The non-Board members would have to have a financial background.

The CHS Alliance Treasurer will be one of the Board members on the Committee.

- At least one member of the Committee will be member of a recognised accounting body with relevant experience.
- At least one member will have expertise in donor engagement and fundraising.

The committee quorum is three (3), two (2) of the three (3) being Board members.

CHS Alliance Secretariat staff, non-Committee members, auditors and others may attend meetings of the Committee and provide information at the invitation of the Committee Chair.

## 5. **Chair**

The Committee will be led by a Chair who will be selected by the Governing Board. There will be a three-year period in office, renewable once.

The Chair of the Committee may not be the Chair of the Governing Board.

## 6. **Reporting**

The Chair of the Committee will report to the Board on finance, risk and audit issues at each Governing Board meeting, as relevant.

## 7. **Frequency of meetings**

The Chair of the Committee, supported by the Secretariat, will convene a meeting of the Committee in line with the cycle of Board meetings. It is expected that the Committee will meet face to face at least once per year. All other communication will be via email or Teams.

## 8. **Role of the Secretariat**

The CHS Alliance Chief Financial Officer is the designated Secretariat focal person for finance who will participate in all meetings. This focal person will support the Chair of the Committee in organising all meetings. The Secretariat will draft notes on all meetings.

The Secretariat will provide a finance report to the Committee on a quarterly basis.

Each member on the Committee should allocate sufficient time to review the financial reports and should have a good understanding of the CHS Alliance's finance and procurement policies and annual budget process. They will equally be conversant with the CHS Alliance Statutes and governance procedures.

## 9. **Review of Terms of Reference**

The Board reviews, at least once in each year, the terms of reference to determine its adequacy for current circumstances.