



WIMBLEDON AND PUTNEY COMMONS

Terms of Reference for the Finance and Investment Committee

1. Overall responsibility

On behalf of the Board of Conservators it is the responsibility of the Finance and Investment Committee (FIC) to be responsible for scrutinising, overseeing all financial and investment aspects of WPCC so as to ensure short and long term viability of WPCC and reporting back to the Board on all matters where decisions are required unless specifically delegated by the Board.

2. Composition, attendees and quorum

- The FIC will consist of not fewer than three Conservators appointed by the Board.
- No member of the Audit and Risk Committee may be a member of the FIC although members may attend as observers.
- External, independent co-opted members with relevant skills, expertise and experience may be appointed by the Board, as long as the number of Conservators on the FIC is greater than the number of external independent observers invited to attend regularly¹. External independent co-opted members are not members of the FIC and have no voting rights.
- At least one member of the FIC should be a qualified accountant or have significant, recent and relevant financial and/or investment experience, expertise or qualification.
- The Chairman of the FIC will be appointed by the Board.
- In the absence of the Chairman of the FIC the remaining Conservators present shall elect one of their number to chair the meeting.
- The Chief Executive and such other members of staff as the FIC may require shall normally attend meetings.
- Recommendations to the Board or decisions, where appropriate, will be made on the basis of a majority of the votes of the FIC members present and in the case of an equal division of votes the Chairman shall have a second/casting vote.
- A quorum shall consist of two members of the FIC each of whom is a Conservator.
- The Chairman of the Board may nominate alternative Board delegates if one or two of the members of FIC cannot attend a meeting.

¹ As WPCC's governing documents are silent about non-Conservators serving on FICs, the usual assumption is that they are therefore not permitted. An easy way to bring on relevant skills and expertise is to have carefully selected co-opted members present regularly who can add to the quality of decision-making and who can alert Conservators to opportunities, risks etc.

- The members of the FIC may ask any or all of those who normally attend but who are not members to withdraw from the discussion of particular matters to facilitate open and frank discussion.
- Appointments to the FIC will be for a period of up to three years extendable by no more than two additional three-year periods.
- There will be at least three FIC meetings each year usually held three weeks before a scheduled Board meeting.

3. Authority

The FIC is authorised by the Board:

- to approve actions, where this is specifically delegated as set out in the WPCCC Financial Regulations and Delegations, as approved by the Board;
- to appoint ad-hoc task groups comprising members of the FIC (and others who the Board considers appropriate) to assist it in carrying out the task and to report back to the FIC for referral and decision to the Board.

The FIC shall seek authority from Board:

- for any expenditure it wishes to incur on behalf of the FIC and subject to confirmation from the Board that funds are available;
- concerning any recommended instructions to investment managers and bankers on investment decisions within the context of the investment policy set by the Board;
- concerning any periodical review and if appropriate consideration and recommendation of alternative providers of services from investment managers, accountants, auditors and bankers;
- where it wishes to obtain outside legal or other independent professional advice, including securing the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- for any public statements to be made in respect of matters appertaining to the FIC; and
- for any recommended changes to the WPCCC Financial Regulations and Delegations arising from the annual review of this policy.

The FIC shall comply with any decisions concerning authorisation and/or payments to external advisors which the Board may make from time to time.

4. Main duties

All these duties are to be undertaken within the framework of WPCCC's objectives.

Financial

The main duties of the FIC concerning finance are to:

- confirm that the WPCC operates within the financial guidelines set out in current legislation by the Charity Commission, WPCC's governing documents (Acts of Parliament, Commissioners' Clauses, approved policies, etc) reporting regularly to the Board;
- regularly review and advise the Board on the appropriate regulatory financial framework within which WPCC must function, including developing and reviewing WPCC's financial procedures and policies;
- on behalf of the Board, monitor WPCC's financial position to ensure they are being met and report deviances to the Board;
- advise and recommend to the Board the financial implications and operational risks arising from Board decisions – especially the Board's strategic and policy decisions;
- review longer-term forecasts of capital resources and of income and expenditure, and review and monitor financial trends within WPCC and the sectors within which it operates;
- formulate for the Board to approve and agree, and regularly review and monitor a financial strategy and a Reserves Policy that will help to achieve WPCC's objectives, as set out in the Board's strategic plan and business plan;
- advise on, scrutinise and evaluate a draft annual budget, including the Levy, for submission for the approval of the Board, ensuring that it is compatible with, and supports, WPCC's objects and the strategic, business and annual plans;
- work with the Chief Executive to ensure that financial reporting is both accurate and presented in such a way that facilitates good governance;
- regularly consider WPCC's management accounts and monitor performance against the approved budget and report to the Board thereon; and
- monitor financial levels of WPCC's fundraising/commercial activities in relation to threshold limits for non-primary purpose trading and reporting to the Board.

Remuneration²

The main duties of the FIC concerning remuneration are to:

- consider available information on pay policies and practices in other organisations that can help make the decision whether remuneration is fair and reasonable and make recommendations to the Board on total remuneration policy for staff of the charity and any subsidiaries, and the base pay levels and total remuneration for the most senior employees;
- determine the scope of pension arrangements as it relates to the Local Government Pension Scheme, service agreements for senior executives, termination payments etc, seeking the Board's approval to such policies/actions prior to their implementation;
- seek evidence of the remuneration, benefits and incentives paid to senior executives in comparable employment within the commercial, public and voluntary sectors taking

² Remuneration for the purpose of these terms of reference means all benefits receivable from the charity including salary, awards under performance-related schemes, pensions, accommodation and other non-cash benefits.

into consideration the esteem and the value – financial or otherwise – derived by employees from working for a charity³;

- as part of the annual budgeting process, consider and advise the Board on changes to remuneration of the Chief Executive and his leadership team, the base pay levels, performance awards, etc in line with the remuneration policy agreed by the Board.

Investment

The main duties of the FIC concerning investment are to:

- draw up, review, revise and recommend to the Board for its approval the WPCC's overall investment strategy and policy ensuring it is consistent with the Charity's values, attitude to risk, decision making and ethical considerations;
- actively monitor liquidity adequacy and determine and carry out procedures for liquidity monitoring which will focus on cashflow and cumulative cashflow measures reporting regularly to the Board;
- review and where appropriate recommend fund managers to the Board for appointment and/or removal;
- regularly review and, where necessary, make recommendations to the Board to amend the investment instruments that may be used by the Investment Fund Manager;
- keep under review the costs, benefits and risks of hedging parts of the portfolio in relation to stock market levels and tax requirements;
- secure investment income and capital appreciation in accordance with the objectives of the investment strategy approved by the Board;
- regularly review actual asset holdings against asset allocations approved by the FIC and consider the forecast requirements of the WPCC and recommend future allocations accordingly;
- establish appropriate performance benchmarks for the fund managers, bearing in mind policy and selection as well as any tax considerations.

Other

Other duties of the FIC are to:

- where the planning, monitoring and review of activities by the FIC reveal cause for concern, or scope for improvement, make recommendations to the Board on action needed to address the issue or to make improvements.

The FIC may, from time to time, be assigned additional duties as considered relevant by the Board of Conservators.

General

General duties of the FIC are to:

³ Report of the NCVO Inquiry into Charity Senior Executive Pay and Guidance for Trustees'

- review annually the FIC's effectiveness and provide an annual report to the Board to cover:
 - i. what the FIC has achieved in the last 12 months;
 - ii. what the FIC hopes to achieve in the next 12 months;
 - iii. what the FIC plans to do differently in order to increase its effectiveness; and
 - iv. what changes, if any, are needed to the FIC's Terms of Reference to be approved by the Board.

5. Reporting

Reporting duties of the FIC are to:

- provide minutes of all meetings for review at meetings of the Board of Conservators drawing out:
 - i. key issues including risks of which Conservators need to be aware;
 - ii. decisions that Conservators are being asked to make, with recommendations from the FIC; and
 - iii. any actions taken by the FIC under delegated authority.

Approved by the Board of Conservators on 19th June 2018