

Board of Trustees
21, 25, 26 November 2022

Refers to
agenda item 4.2

**Agenda Item 4.2: Approval of the already revised and reviewed policy 1.9-
ToRs of Finance, Audit and Risk Committee**

Summary:

Following the approval of the amendments to IPPF Regulations and Procedural Byelaws by the General Assembly on 23rd November 2022, it is required from the Board of Trustees to approve subsequent amendments to the IPPF policy 1.9 on the Terms of Reference of the Finance, Audit and Risk Committee.

It is to be noted that the enclosed amendments to the policy 1.9 were thoroughly discussed and reviewed by the Board during its meeting in June 2022 pending the General Assembly approval of the Regulations amendments.

Action Required:

The Board is requested to **approve** the revised policy 1.9 as Terms of Reference of the Finance, Audit and Risk Committee.

Policy 1.9

FINANCE, AUDIT AND RISK COMMITTEE (C-FAR) - TERMS OF REFERENCE

1. Introduction

- 1.1. IPPF is a UK registered charity and a worldwide Federation of 132 national Member Associations (MAs) working in 164 countries across the globe. It is a leading civil society organisation working on issues of sexual and reproductive health and rights. IPPF's Secretariat comprises Central Office in London, with Regional Offices in Bogotá, New York, Brussels, Tunis, Nairobi, Kuala Lumpur and Bangkok.
- 1.2. IPPF's governance structure was reformed in 2020. The highest authority of the new governance structure is a General Assembly of IPPF Member Associations, convened once every three years. A Board of Trustees governs the IPPF secretariat and provides leadership for the Federation. The Board is supported by a committee system, some committees having delegated authority and others providing advice to the Board. The Nominations and Governance Committee reports directly to the General Assembly.
- 1.3. IPPF's core mission is to lead a locally owned, globally connected civil society movement that provides and enables services and champions sexual and reproductive health and rights for all, especially the under-served. This strategic objective is overseen by the Board of Trustees (the Board) and the General Assembly (the GA).

2. Function and Purpose

Reporting to the Board of Trustees, the expert committee monitors IPPF's financial performance ensuring the financial integrity of the organisation; oversees risk management ensuring effective internal control systems are in place; ~~and~~ recommends the appointment of the external auditors to the Board; ~~and appoint the~~ internal auditors; ~~reviewing and approve the their work of both the external and internal auditors;~~ and ensuring timely and appropriate responses to audit findings and recommendations.

3. Main responsibilities and tasks of the Committee

The Committee shall have the following functions and responsibilities:

3.1. In relation to finance

- a) ~~Guide and advise fellow trustees to formally approve the annual report and audited accounts.~~
 - b) ~~Board level liaison with external and internal auditors.~~
 - c) ~~Guide and advise fellow trustees on financial policies, numbers and systems, in simple language, so that these are fully understood by all.~~
- Financial Management Budgeting and strategic financial planning:
- a) Ensure appropriate financial policy framework is in place to guides the IPPF's financial decision making.
 - b) Guide and advise trustees on financial policies, numbers and systems, in simple language, so that these are fully understood by all.
- a) c) Review and recommend secretariat wide plans and budgets for approval by the Board of Trustees. As part of this process, ensure these are:

- ~~Ensure plans and budgets are~~ financially appraised including the key assumptions taken; and
 - ~~are~~ aligned to IPPF's both short-term and long-term objectives ~~of the organization.~~
- b) d) Ensure transparency and accountability regarding resource allocation in accordance with IPPF's IPPF's guidelines and policies.
- e) Ensure compliance with accounting and reporting requirements as set out in the Charities (Accounts and Reports) Regulations 2015 and the SORP guidelines.

Management Reporting:

- a) Ensure a high standard of financial oversight is maintained in order to safeguard IPPF's assets. This will include:
- o Overview of the management accounts of the organization.
 - o Overview of the ~~cash-flow~~ forecasting processes and forecasted numbers. and its management processes
 - o Ensuring Ensure appropriate budgetary controls are in place.

Statutory Financial Reporting:

- a) Provide oversight of preparation and scrutiny of annual accounts of the charity (in line with the Statement of Financial Activities (SOFA), presenting the annual financial statement to the Board.
- b) Guide and advise fellow trustees to formally approve the annual report and audited accounts.

Reserves Policy:

- a) Develop and maintain oversight on the reserves policy to safeguard the organization's finances and ensure its ongoing solvency.
- b) Work with the management on regularly undertaking a risk-based assessment of the organizations' general reserves levels.
- c) Keep the Board informed of the reserves position from time to time and advise it to cope with changing circumstances.

Financial Governance:

- a) Ensure proper accounting records are kept, financial resources are controlled, invested and economically spent in line with governance, legal and regulatory requirements.
- b) Advise on the financial implications of the charity's strategic plans.
- c) Lead in the development and implementation of financial policies including for cost management, investment management, cost recoveries, etc.
- d) Approval of the Recommend to the Board a schedule of delegated financial authority ~~for approval annually.~~

3.2. In relation to audit

- a) Recommend to the Board of Trustees the appointment of the external ~~and internal~~ auditors once every 3 years and recommend for annual re- appointment.
- b) Approve
- o appointment of internal auditors and intimate to the Board of Trustees.
 - o ~~Approve a programme of annual external audit.~~ revision of external/ internal auditors' fee, based on revision of audit programme, if required. Intimate the same to the Board.

- ⊖ annual external and internal audit plans. This includes actions required to be taken under the global assurance programme.
Intimate the Board of Trustees about these approvals.

- b)c) Board level liaison with external and internal auditors.
- e)d) Receive reports from the internal and external auditors and review and monitor the response and actions taken by management
- d)e) Ensure timely and appropriate responses to audit findings and recommendations.

3.3. In relation to risk

- a) Review the annual risk management plan and recommend it to the Board of Trustees for approval.
- b) Provide oversight to risk management processes ensuring an adequate risk management and assurance framework is in place.
- c) As part of the overall risk assurance framework, provide oversight on implementation of policies and guidelines relating to the Safeguarding and Financial Crime policy.

4. Membership of the Finance, Audit and Risk Committee

- 4.1. The Committee shall be comprised of up to 7 members of which at least 50% shall be women and at least 20% young persons under the age of 25 at the time of their appointment.
- 4.2. A majority of members shall be from Member Associations.
- 4.3. Consideration will be given to geographical diversity and to smaller and larger Member Associations from different national contexts.
- 4.4. Committee members must meet required standards of expertise, skills and experience according to established criteria. A majority of its members must have relevant experience in finance, law, investment, audit, and risk management.
- 4.5. There shall be at least one, and a maximum of two, members of the Board of Trustees on the committee. A minimum of one of these shall be an external Trustee of the BOT. Both The Treasurer shall be one of the Board of Trustees representatives to this Committee. The second member of these members will be appointed by the Board of Trustees ~~shall be appointed by the Board of Trustees and shall be an external Trustee of the BOT."~~
- 4.6. Committee members, other than those serving as Trustees, are selected by the Nominations and Governance Committee.
- 4.7. Of the seven members a maximum of two members can be external members. External members are selected by the Nominations and Governance Committee for a specific skill set, as expressed by the Chair of the Committee and are external to MAs.
- 4.8. Committee members cannot be employees of either the IPPF secretariat or any IPPF Member Association or Collaborative Partner.
- 4.9. Every three years at least two members (2/7) of this committee will rotate off.

5. Terms of Office

- 5.1. Committee members serve for terms of up to three years. Members may serve for a second term. Committee members are ineligible to re-stand for the

committee at any time in the future after having served cumulatively for two terms.

- 5.2. Committee members must meet the following criteria in order to be re-appointed - regular attendance at meetings, participation and value contributions during meetings and contribution as an ambassador for IPPF. These criteria form the basis of an annual evaluation process.
- 5.3. Members' terms are staggered in order to maintain continuity of organizational knowledge and expertise within the committee. The Board of Trustees may determine the order in which the members rotate off the committee.

6. Committee Chair

- 6.1. The Chair of the Committee shall be an external member of the Board of Trustees.
- 6.2. The Chair is approved by the Board of Trustees.
- 6.3. The Chair leads the committee to enable it to fulfil its purpose, chairs meetings of the Committee ensuring that business is dealt with, decisions made and adequately minuted and that the implementation of decisions is clearly assigned and monitored.
- 6.4. The Chair reports to the Board of Trustees on the deliberations and decisions of the committee.

7. Committee Meetings and Quorum

- 7.1. The Committee shall meet at least four times each year and shall follow such formal business agenda as is circulated prior to the meeting.
- 7.2. Meetings of the Committee shall be held in person (a maximum of twice per year) and otherwise by suitable electronic means agreed by the [Board Committee](#) in which all participants may communicate with all other participants.
- 7.3. A simple majority of committee members present in person or by electronic means shall constitute a quorum.
- 7.4. All meetings shall be chaired by the committee Chair. If the Chair is unable to attend a particular meeting the Chair will be expected to name another committee member to chair the meeting.
- 7.5. Questions arising at any committee meeting shall be decided by a simple majority of votes unless provided otherwise in the IPPF Act, Regulations or Procedural Byelaws. Every committee member shall have one vote. If the votes are equal, the chair of the meeting shall have a casting vote.
- 7.6. The minutes of all meetings shall, except for any information of a personal nature, be available for inspection by Member Associations and any other persons as authorized by the committee or the Board of Trustees.
- 7.7. The committee may, by a simple majority, take decisions between its regular meetings, by other means (including electronically).

8. Review

These terms of reference should be regularly reviewed and updated in accordance with the general policy.

As adopted by Governing Council, May 2020

Amended by IPPF Board of Trustees, March 2022

[As proposed for amendment to Board of Trustees, November 2022](#)