



LAUNCHPAD TERMS OF REFERENCE FOR A FINANCE & RISK SUB-COMMITTEE

Overall responsibility

The Launchpad Finance & Risk Sub-Committee takes delegated responsibility on behalf of the Board of Trustees for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice.

The purpose of the F&R Sub-Committee is to:

- Scrutinise Launchpad's financial reporting
- Manage Launchpad's responsibilities concerning all aspects of internal and external audit.
- Monitor the effectiveness of internal control and business assurance. Review, monitoring and scrutinising Launchpad's risk register, risk management systems and effectiveness.

Composition and reporting

- The F&R Sub-Committee will consist of no fewer than 3 trustees appointed by the Trustees of main board; others with appropriate skills and expertise, of whom at least 1 is external and independent of Launchpad, may also be appointed. The external auditors will be invited to attend where appropriate.
 - The members of the committee will appoint the Chair of the F&R Sub-Committee.
 - Any trustee may attend a meeting of the F&R Sub-Committee including those who are not members of the committee.
 - The CEO, CFO/Company Secretary and such other members of staff as the chair may require shall be in attendance at meetings.
 - Until otherwise determined by the Trustees a quorum shall consist of 2 members of the committee.
 - Members of the F&R Sub-Committee may serve for as long as they are trustees of Launchpad.
 - The F&R Sub-Committee will report back annually to the main board Trustees post-audit; and will also meet and report in advance of Board meetings on a quarterly basis.
 - The F&R Sub-Committee is authorised to obtain appropriate external legal and other professional advice to fulfil its responsibility to the Trustees.
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- The F&R Sub-Committee is authorised to investigate on the behalf on the Trustees anything that threatens or adversely affects the accomplishment of Launchpad's aims and objectives, its assets, the reliability of all records and information, and its compliance with all relevant laws, regulations, policies, and its governing instruments.



Main Duties

- To recommend to the Trustees a framework of effective audit coverage, having reviewed the internal and external audit processes.
- To advise the Trustees on the minimum and optimum level of internal and external audit arrangements.
- To have oversight of grant conditions.
- To ensure that regular audits are carried out in the following areas: financial (including statutory annual audits, PAYE, procurement, payments, and contracts), investments and insurance, and to contribute to these reviews.
- To monitor internal and external audit reviews and to advise the Trustees accordingly. (This may be by means of summary reports from the CEO or internal auditor ensuring that the full reports are available to any member of the audit committee, or the Trustees should they require to see them.)
- To investigate on behalf of the Trustees any financial or administrative matter that may put Launchpad at financial risk.
- To examine reports on special investigations and to advise the Trustees accordingly.
- To consider the appropriateness of executive action following internal audit reviews and to advise senior management on any additional or alternative steps to be taken.
- To ensure there is coordination and good working relationships between internal audit, external audit and any other review bodies that have been set up.
- To encourage a culture within Launchpad whereby each individual feels that he or she had a part to play in guarding the probity of the charity and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the chair of the F&R Sub-Committee.
- To provide minutes of all audit committee meetings for review at meetings of the Trustees.
- Effectiveness of internal financial controls and financial risk management arrangements.
- Security of assets including an asset register.

External audits

- To determine the frequency of tendering for external auditing services.
- To consider tenders for the external auditing services and recommend to the Trustees which firm should carry out the annual external audit of Launchpad's statutory accounts.
- To scrutinise and advise the Trustees on the contents of the draft audit report and of any management letter that the auditors may wish to present to the Trustees, and to formulate for Trustees use any written representations that may be needed by the auditors in connection with Launchpad's statutory accounts or any other financial statements;
- To discuss with the external auditors any problems or reservations arising from the draft external audit report and draft management letter, reporting relevant issues back to the Trustees and advising the Trustees accordingly.
- To review the performance of Launchpad's auditor and advise the Trustees on any changes that ought to be made to their terms of engagement.
- To obtain any necessary external professional advice to enable the F&R Sub-Committee to carry out its responsibilities more effectively.



Financial Reporting

The committee shall review and challenge where necessary:

- Significant accounting policies and treatment of unusual items
- Whether the charitable company has adopted appropriate accounting policies, estimates and judgements.
- Quarterly management account information including income and expenditure year to date performance and variance against budget, forecast performance and balance sheet including reserves levels against business plan and strategy. To include review of reserves levels appropriate to the size of the charity.

Risk Management and Internal Controls

- The committee will ensure that Launchpad has appropriate and effective risk management systems in place that identify, define, record, and provide suitable controls to manage all strategic and operational risks.
- Ensure that performance against key financial and operational risks is clear and sufficient to enable the committee to understand risk behaviour and direction of travel.
- Monitor and report on as necessary, the agreed risk appetite and tolerances set by the Trustees in pursuit of risk opportunity, growth, and diversification
- Ensure that Launchpad has appropriate and agreed statements of compliance and internal control from any board sub-committees, contractors, agents, partners, or committees overseeing joint ventures to mitigate risk, confirm internal controls assurance and protect Launchpad's assets
- Direct the internal and external services to test and validate key business assurance and internal control systems
- Sponsor risk management awareness across the organisation and ensure that risks are considered as part of the day job by all staff
- Review and act on any recommendations following any regulatory assessments, reviews, or self-assessments in conjunction with the Governance and Remuneration committee
- Ensure that Launchpad has, and maintains, adequate levels of insurance cover for its assets and in matters relating to professional indemnity
- Review the adequacy and security of the charity's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- Review the charity's procedures for detecting fraud;

Meeting Minutes

Meeting minutes shall be recorded by the Company Secretary and submitted to Trustees for review at board meetings. The Chair of the F&R sub-committee will be responsible for representing opinion of F&R sub-committee and providing an update to Trustees. Matters arising and action plan will be circulated within the minutes.

Approved:

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