

DANVM DRAINAGE COMMISSIONERS

FINANCE COMMITTEE

TERMS OF REFERENCE

The Board has delegated authority to its Finance Committee to take certain decisions. The nature and extent of this decision making is set out in these terms of reference. These terms of reference also explain what this Committee does and how it works.

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Finance Officer

Reviewed and approved by Finance Committee Members 10 October 2014

Approved by the Board 7 November 2014

Purpose

These documents have been prepared solely as a record for the Internal Drainage Board. JBA Consulting accepts no responsibility or liability for any use that is made of this document other than by the Drainage Board for the purposes for which it was originally commissioned and prepared.

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Contents

1	Delegated authority from the Board	4
1.1	To agree the Board Drainage Rate	4
1.2	To approve Board budget estimates	4
1.3	To approve the List of Payments.....	4
1.4	To agree upon proposed employee salary increases in accordance with the CEO's recommendations	4
1.5	To approve Engineering schemes with an appropriate cost/benefit ratio	4
1.6	To take decisions on any related matter the Board may reasonably determine from time to time by resolution.....	4
1.7	To ensure Board owned land maximises its benefit to the Board	4
2	Role of the Committee	4
3	Membership of Committee	5
4	Chairman of the committee	5
5	Voting Entitlement	5
6	Quorum	5
7	Number of meetings per year	6
8	Notice, Minutes and Meeting Reports	6
9	Venue for meetings	7
10	Finance Committee	7
11	Certification	7

1 DELEGATED AUTHORITY FROM THE BOARD

In accordance with the Board's Scheme of Delegation, the Board hereby delegates the following powers and authority to its Finance Committee:

- 1.1 To agree the Board Drainage Rate
- 1.2 To approve Board budget estimates
- 1.3 To approve the List of Payments
- 1.4 To agree upon proposed employee salary increases in accordance with the CEO's recommendations
- 1.5 To approve Engineering schemes with an appropriate cost/benefit ratio
- 1.6 To take decisions on any related matter the Board may reasonably determine from time to time by resolution
- 1.7 To ensure Board owned land maximises its benefit to the Board

2 ROLE OF THE COMMITTEE

The Finance Committee shall advise the Board on various matters. The Finance Committee shall:

1. Consider any issue in detail as determined from time to time by the Board and make recommendations to the Board accordingly.
2. Critically review the annual revenue and capital expenditure budgets, as prepared by the Finance Officer and make recommendations to the Board accordingly.
3. Monitor income and expenditure during the year to ensure that the Board operates within approved budgets, consider any requirements for the Board to approve any large and unplanned material deviation therefrom and make recommendations to the Board accordingly.
4. Seek to ensure that Internal controls and governance arrangements are effective and make recommendations to the Board accordingly.
5. Consider all significant/material financial issues in detail and make recommendations to the Board accordingly.
6. Annually review the Board's Final Accounts, including the Internal and External Audit Reports and the Governance Report, and make recommendations to the Board accordingly.
7. Periodically scrutinise all payments that have been made to suppliers, as authorised by the signatories in accordance with the Board's Financial Regulations and Bank Mandate and approved the list of payments.
8. Support the Board's Chairman and Chief Executive in their roles, as set out in the Division of Responsibilities document (Chairman and Chief Executive).
9. Make recommendations to the Board on settling claims for compensation that have been made against the Board

3 MEMBERSHIP OF COMMITTEE

The Finance Committee shall comprise of 8 Members of the Board, with the current Chairman and WLM Chairman in attendance as observers. The Committee will ensure that Nominated Members will always have a majority over the Elected Members.

The Board shall elect from its membership 8 Members and appoint its Chairman to serve on the Finance Committee for an initial period to 31 October 2016 and triennially thereafter.

All members of the Finance Committee shall be eligible for re-election at the end of the initial period or three year term, provided they continue to be Members of the Board.

If a Member is unable to attend a meeting they can send a substitute in their place, providing the Finance Officer is notified at least 2 days prior to the meeting and the substitute has had sight of the meeting papers. The substitute must be an existing member of the Board.

If a member is absent from the Finance Committee for 3 consecutive meetings, they shall, unless their absence is due to illness or some other reason approved by the Board, vacate their office at the end of the third meeting.

Any casual vacancy that arises among the Members of the Finance Committee for whatever reason shall be filled by the Board as soon as practicable after the occurrence of the vacancy.

The Board can remove Members and Advisors serving on the Finance Committee and appoint new Members and Advisors at any time by resolution of the Board.

4 CHAIRMAN OF THE COMMITTEE

The Members on the Finance Committee shall elect from their number a Chairman who shall hold office for an initial period to 31 October 2016 and triennially thereafter from 1 November.

The position of Chairman shall change every three years, unless otherwise agreed by the Committee.

If any casual vacancy occurs in the office of Chairman, the Finance Committee shall as soon as it conveniently can after the occurrence of such a vacancy, choose someone of their number to fill such vacancy, and every such Chairman so elected would have been entitled to continue if such vacancy not have happened.

If the Chairman of the Finance Committee is not present at a Finance Committee meeting, the Members of the Finance Committee shall elect someone of their number to Chair the meeting.

5 VOTING ENTITLEMENT

Each Member of the Finance Committee shall have one vote. In the event of an equal number of votes being cast the Chairman of the meeting shall have a second or casting vote, in accordance with the Board's Standing Orders. For the avoidance of doubt, the Advisors and Observers will not be entitled to vote.

A substitute attendee will have the power to vote

6 QUORUM

No business shall be transacted at any meeting of the Finance Committee unless at least one half of the Members of the Finance Committee are present. For the avoidance of doubt a Member is considered to be present if they participate in the meeting by telephone, teleconference or through an exchange of email. (as specified in the notice of the meeting).

7 NUMBER OF MEETINGS PER YEAR

The Members on the Finance Committee shall meet at such dates and times as they decide ("Scheduled Meetings"). Additional meetings can be convened by the Board, the Chief Executive or Finance Officer.

All Members attending meetings of the Finance Committee shall be recorded.

8 NOTICE, MINUTES AND MEETING REPORTS

A minimum of seven days notice shall be given to Members via email in advance of all Scheduled Meetings, which will also include an agenda, written minutes of the previous Finance Committee meeting and whenever possible the relevant reports to be considered. The notice must clearly state where/how the meeting is to take place; be it at a physical location, by telephone conversation or teleconference, or through an exchange of email.

9 VENUE FOR MEETINGS

All meetings of the Finance Committee shall take place at Epsom House (JBA Consulting's Office) unless otherwise determined by the Finance Committee.

10 FINANCE COMMITTEE

The Commissioner's Finance Committee and these terms of reference are in substitution for any previous terms of reference or other arrangements relating to the Board's Finance Committee, which are deemed to be terminated with effect from 7 November 2014.

11 CERTIFICATION

Danvm Drainage Commissioners has approved the terms of reference for this Committee on 7 November 2014

By Order of Danvm Drainage Commissioners

Certified by Mr I M Benn, Chief Executive.

7 November 2014