

# FINANCE RISK & COMPLIANCE PANEL

## Terms of Reference

### Finance Risk & Compliance Panel (FRCP)

March 2019

#### 1. AIMS AND OBJECTIVES

The overall aims and objectives of the Finance Risk and Compliance Panel (FRCP) is to protect and advise the FIH Executive Board of material changes to the risk environment that could materially impact the financial or reputational welfare of the FIH and to assist the FIH Executive Board in the following ways:

- 1.1 Ensure the existence and operation of Risk Management processes.
- 1.2 Ensure the existence and operation of Internal Control systems.
- 1.3 Overview the relationship with the external auditor and review the annual Audited Accounts.
- 1.4 Bring to the attention of the FIH Executive Board any concerns or recommendations in these areas.

#### 2. AUTHORITY, STRUCTURE AND MEMBERSHIP

- 2.1 The FRCP derives its authority from the FIH Executive Board, and members will be appointed by the Executive Board.
- 2.2 The members agree to be bound by and to comply with the Integrity Code, the Committee and Panel protocols established by the Executive Board, and any other applicable FIH Regulations.
- 2.3 The membership of the FRCP is as follows:

Board	Executive	By Invitation
1 x Chair  4 x Executive Board Members  Secretary is the FIH Finance Director  The FIH President is an ex-officio member but does not have the right to vote	The CEO is an ex-officio member but does not have the right to vote, however will refer items from time to time	If necessary and/or appropriate, members of other Committees, external experts, and/or FIH staff.

- 2.3 Gender Equality  
The FRCP aspires to 50/50 representation aligned to the FIH Gender Equality Policy.
- 2.4 Competencies/Attributes
  - The members should have specific Audit, Risk, and/or Financial expertise.
  - To enjoy the support and respect of the FIH Executive Board and CEO.

### **3 RESPONSIBILITY**

The scope of the FRCP includes review and consideration of the following areas within FIH:

#### **3.3 Risk Management**

The FRCP shall ensure the existence and respect of the FIH Risk Management processes. Such matters are to be included in the Annual Report of the FRCP to the Ordinary Congress.

At each meeting, the FRCP shall receive an updated Risk Register from the Finance Director and CEO, identifying the areas of risk and mitigating actions.

#### **3.4 Internal Control**

The FRCP shall ensure the existence and respect of the Internal Control systems, as defined in the FIH Financial Policies and Procedures, and consider as to whether FIH has followed appropriate accounting standards.

The FRCP shall review the currency exchange policy and the reserves policy of the FIH. At each meeting, the FRCP shall receive a financial update from the Finance Director.

#### **3.5 Audit**

The FRCP shall consider and make recommendations to the Executive Board in relation to the appointment, re-appointment and removal of the FIH's external auditor. The FRCP shall oversee the selection process for new auditors.

The FRCP shall oversee the relationship with the auditor, approval of terms of engagement and assessing annually their independence and objectivity. The FRCP Chair or his/her nominee shall discuss with the auditor before and after the annual audit.

The FRCP shall review the annual Audited Accounts and ensure that all material information has been presented with the financial statements.

### **4 WORKING METHOD**

Meet prior to each Executive Board meeting (upon request to the FIH, in person and otherwise via conference call) or more if necessary. Meetings shall be called by the Chair or the CEO, and may be in person, via conference call.

### **5 REPORTING**

At each EB meeting (3 times per year), the Chair or a EB member of the FRCP shall present an FRCP Report, as well as the updated Risk Register.

The Chair or his nominee shall attend the FIH Ordinary Congress (every 2 years) and present an FRCP Report that was previously approved by the EB.

### **6 TERM OF PANEL**

The Panel will be appointed on a biennial basis.