

# FINANCE COMMITTEE TERMS OF REFERENCE

Revised September 2023

*Approved by Board decision*

*RBM/B28/2023/DP04*

*on 12 September 2023*

The Finance Committee (the "Committee") has been established to provide the RBM Partnership Board with advice regarding the organisation's business, finance objectives and oversight responsibilities in respect of financial planning and management, risk and control framework, support internal and external audits, adherence to appropriate standards of good practices and ethics as well as Hosting Agency policies, in particular the financial rules and regulations. The Committee is a Committee of the RBM Partnership Board. The Committee reports to the RBM Partnership Board and assists the Board in exercising financial oversight. The Committee also supports the Chief Executive Officer in fulfilling his/her responsibilities. The Terms of Reference are approved by the Partnership Board and may be modified from time to time, as necessary.

## **1. Membership**

1.1 The membership, including the Committee Chair, shall comprise RBM Board Members, their Alternates or other persons nominated by the Board.

1.2 The composition of the Committee should allow it to function efficiently and effectively in fulfilling its functions and responsibilities. The Committee membership will consist of between five and seven members, in addition to the hosting agency representative standing member. The Committee composition shall take into account the composition of the RBM Partnership Board and at least half the members shall be from malaria-affected countries. All members are expected to attend Committee meetings on a regular basis.

1.3 The composition of the members should allow for the Committee to have a balance of skills, expertise, experience and knowledge of:

- Financial and audit experience including professional accounting accreditation;
- Forecasting and resource mobilisation, and financial risk management;
- Setting, approving, and monitoring budgets that present issues of comparable breadth and complexity to those presented by the annual budgets of RBM;
- Preparing, reviewing, analysing or evaluating financial statements;
- Managing financial policies and procedures, risk management and systems of internal control;
- Oversight in regard to financial audits and/or investigations of financial expenses, internal controls, or other oversight duties;
- General principles of law, regulations, compliance matters and ethics; and
- Principles of Value for Money – efficiency, effectiveness and economy.

1.4 The Committee Chair may invite non-voting expert advisers to participate on a non-paid basis in Committee meetings.

1.5 The Chair shall be selected from among the Board Members and Alternate Board Members of the Committee and shall be appointed by the Partnership Board.

1.6 The Chair of the Committee shall:

- Plan and oversee the conduct of Committee meetings;
- Report to the Board on relevant and material matters as appropriate;
- Oversee the preparation of the annual list of activities for the Committee; and
- Participate in and advise on the selection of Committee members.

1.7 The Chief Executive Officer, in consultation with the Committee Chair, shall appoint one of the RBM Secretariat Team members as Secretary to the Committee to:

- Serve as liaison between the Committee, the Secretariat and the Host Agency;
- Assist the Committee in developing good governance and oversight practices;
- Ensure that the agenda, meeting papers and minutes and other materials to support the Committee are provided in a timely manner; and

- Ensure preparation of minutes of Committee meetings for Committee Chair/Members' review and approval.

1.8 Members of the Committee, including the Chair, shall be appointed for a two-year term, renewable once. The term of appointment may also be subject to the processes of a government, organisation or representative group whom the Committee member represents.

1.9 The Committee members shall not be remunerated for their services, but shall be reimbursed for expenses according to the Host Agency's standard travel policies, including airfare and DSA, as applicable to the RBM Partnership.

1.10 Each Committee member shall comply with the RBM Partnership's Conflict of Interest Policy and shall complete the annual Declaration of Interest Form. Committee Members shall update the Form as and when required. At the start of each meeting, members of the Committee shall declare any actual or perceived conflict of interest arising in the matters before the Committee which shall be managed in accordance with the Conflict of Interest Policy.

## **2. Attendance at Meetings**

2.1 The Committee may have at its disposal, and by invitation of the Committee Chair, members of the Secretariat including the Chief Executive Officer, any members of the RBM Partnership, and external experts or consultants.

2.2 The Secretary to the Committee will record the minutes of the Committee Meetings.

2.3 Committee Members are expected to attend all Committee meetings. A quorum for a meeting is three members present either in person or virtually if the committee is made up of five members or, four members present either in person or virtually if the committee is made up of seven members. The spirit of the Committee's purpose is to encourage group discussion and the Committee shall endeavour to ensure maximum attendance at its meetings.

## **3. Frequency of Meetings**

3.1 Meetings shall be held, ideally, four times annually, but not less than three times each calendar year.

3.2 The Committee Chair, or any two members of the Committee, may request any additional meetings as needed.

## **4. Access to Resources**

4.1 The Committee may be allocated resources by the RBM Board to assist with the performance of advisory tasks that could require external resources. The Committee Chair will recommend deployment of those resources to assist with the Committee activities.

## **5. Responsibilities**

5.1 The Committee will act on behalf of the Board to provide detailed consideration of the RBM Partnership financial arrangements and will oversee the preparation of the annual Partnership budget for recommendation to the Partnership Board for approval.

5.2 The Committee will seek to streamline Board finance processes, financial reporting, internal and external audit, and risk management of the RBM Partnership activities.

5.2.1 The Finance Committee Chair representing the Committee will approve any substantial updates to Partnership Standard Operating Procedures and Financial Management guidelines.

### 5.3 Advisory Responsibilities

The Committee will act on behalf of and in an advisory capacity to the Board to provide detailed consideration and oversight regarding key financial issues, as they arise.

These key issues may include topics such as:

5.3.1 Financial performance of the RBM Partnership against the annual budget and set targets and key performance indicators;

5.3.2 Major operational initiatives such as implementation of new IT systems, adoption of new accounting standards or large-scale business process improvements; and

5.3.3 Risk mitigation processes such as those that consider, insurance programmes, reputational risk, personal security, and other potential factors that are aimed at mitigating harm to the Partnership.

### 5.4 Budget Scrutiny

The Committee will review and provide advice to the Board regarding the preparation and presentation of the annual RBM budget. In particular, the Committee will consider:

5.4.1 On a regular basis the wider picture of in-year revenue and expenditure and whether they are appropriately balanced;

5.4.2 A coherent and justifiable division and prioritisation of planned programmes within the annual Partnership workplan;

5.4.3 The extent to which expenditure plans and their allocations are achieving outcomes and offer value for money; and

5.4.4 The annual budget process to assess the integration between planning and performance and financial management.

### 5.5 Financial Reporting

The Committee may review and provide advice regarding the following financial reporting and compliance documents/issues:

5.5.1 Operational/Narrative Reports prepared by the Secretariat in accordance with the relevant donor contribution agreements;

5.5.2 Financial reports prepared by the Secretariat and/or the Host Agency;

5.5.3 Review and provide input on financial results, and other published information such as the audited financial reports.

### 5.6 Internal Audit

5.6.1 The Committee may meet with the Host Agency Director of Internal Audit and Investigations Group, if and when required. This may happen, at the discretion of the Committee Chair, with or without members of the Secretariat.

5.6.2 At the discretion of the Committee Chair, the Committee will review and provide advice to the Partnership Board regarding the following internal audit activities and issues:

5.6.2.1 Non-recurring reports, such as those involving fraud, and provide input to the Chair of the RBM Partnership Board and/or the RBM Partnership Board concerning any suggestions for appropriate action; and

5.6.2.2 The Chief Executive Officer and Secretariat's responsiveness to the findings and recommendations of the internal auditors.

## 5.7 External Audit

5.7.1 External audits of hosting entity, UNOPS, are undertaken by the UN Board of Auditors (UNBOA). Should there be any findings in the UNOPS external audit that impact the RBM Partnership, the Committee may meet with the UNOPS Executive Director, Geneva Office Director, and/or Internal Audit and Investigations Group. At the discretion of the Committee Chair, the meeting may be held with or without members of the Secretariat.

5.7.2 At the discretion of the Committee Chair, the Committee may be requested to review and provide advice to the Partnership Board regarding any matters that arise with respect to the RBM Partnership from external audit activities.

5.7.3 Should a separate audit be requested by a donor to the RBM Partnership, as may be agreed to in the specific donor agreements, the Committee will review this request, in consultation with the UNOPS Europe and Central Asia Region (ECR) Regional Director and IAIG.

## 5.8 Risk Management

5.8.1 The Committee Chair will request the Chief Executive Officer and the Secretariat to prepare annually an RBM risk register for review by the Committee and presentation to the RBM Board;

5.8.2 The Committee shall review the robustness of the risk management systems and provide its conclusions in respect thereof in its annual report; and

5.8.3 At the discretion of the Committee Chair, the Committee may be requested to review and provide advice regarding compliance activities.

## **6. Other**

6.1 The Committee may, at the discretion of the Committee Chair:

6.1.1 Review any other matter referred to it by the Secretariat or the members of the Committee;

6.1.2 Delegate the review or research tasks to one or more of its members or to an external expert or consultant, if the Committee Chair deems this appropriate;

6.1.3 Review annually the overall financial viability of the RBM Partnership;

6.1.4 Advise the Secretariat on business process improvements, including comments regarding best financial practices or sound business processes;

6.1.5 Review the adequacy of the operational reserves from time to time, and the general financial strength of the organization; and

6.1.6 Review reports, if any, produced by the Chief Executive Officer or Secretariat which highlight the primary recommendations made by the Committee.

## **7. Sub-committees**

7.1 The Committee Chair may appoint sub-committees that would comprise members of the Committee and/or members of the Secretariat and/or external experts or consultants; and

7.2 The purpose of the sub-committees may serve a particular purpose or provide assistance to the Committee in several areas, and for varying durations.

## **8. Reference documents**

[Partnership Board Bye-Laws](#)

Conflict of Interest Policy and the associated Declaration of Interest Form

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