

## **BOARD - TERMS OF REFERENCE**

### **1. GENERAL**

The Board has overall responsibility to control the business of the Society to ensure that it achieves its objectives within the relevant legal framework and in compliance with requirements of the Regulators.

The Board has responsibility to review and challenge the information it receives.

It is appreciated that there are severe constraints on the Board Members' time and thus there will be substantial delegation of authority (but not responsibility) both to Committees and staff.

The Board is not involved with the day-to-day management of the Society, which is delegated to the Chief Executive. In the absence of the Chief Executive the Society's Secretary will deputise. The Management Structure of the Society is shown in Appendix IV(c).

### **2. OBJECTIVES, STRATEGY AND RISK APPETITE**

The Board is responsible for defining the strategy, objectives and Risk Appetite of the Society. It will pay special attention to the Statement of Aims and business plan and will be responsible for both.

### **3. CONTROL GENERAL - RISK FRAMEWORK**

At the Board meeting immediately following the Society's AGM the Board will elect one of its Members to be Chairman and one to be Vice Chairman.

The Board will approve the overall Board structure and composition and terms of reference of other Committees. It will review all terms of reference annually and approve amendments where necessary. It will also approve all changes to statements of delegated authority as and when they occur.

The identification, evaluation and mitigation of risks are viewed as key controls of the Society. The Compliance and Risk Assessment Committee has been delegated to monitor and review the Risk Framework and Risk Register in line with the Society's Risk Appetite on a quarterly basis to report on any issues that arise for consideration by the Board.

In carrying out their risk governance responsibilities, the Society's Board should have regard to any relevant advice from its Audit Committee or internal audit function concerning the effectiveness of its current control framework. In addition, they should remain alert to the possible need for expert advice and support on any risk issue, taking action to ensure that they receive such advice and support as may be necessary to meet their responsibilities effectively.

The Board will appoint the Society's Chief Executive but can delegate this responsibility to a selection panel. The Board must approve any significant changes to organisational structure.

The Board will review this Handbook annually and approve amendments where necessary.

#### **4. FINANCIAL CONTROL**

The Board will

- approve the annual budget and statement of investment policy
- determine levels of delegation to other Committees and staff
- determine authorisation of payments and the signing of cheques as follows:
  - (a) All payments for amounts up to and including £20,000 to be signed by either:
    - (i) the Chief Executive, Secretary and Office Manager (any two from three), or
    - (ii) the Chief Executive, Secretary or Office Manager and any one Board Member, or
  - (b) Notwithstanding the above, cheques up to the value of £20,000 each may have printed signatures thereon at the discretion of the Chief Executive in respect of all benefits and management costs subject to all payments in excess of £1,000, other than benefit payments, being subsequently noted by the Chairman, Vice Chairman or any Board Member
- approve the Annual Accounts prior to submission to each Annual General Meeting and recommend the appointment of Auditors
- determine the valuation basis, Statutory Reserves and Bonus Rates
- review the performance of its Professional Advisors and reconsider their appointment at least once every five years

#### **5. KEY DECISIONS**

The Board will make or approve the following key actions:

- Election of Chairman and Vice Chairman
- All new initiatives not included in agreed plans
- New benefit tables / amendments to benefit tables
- All purchases and disposals of property
- All purchases of major items of equipment above a limit to be determined by the Board from time to time. (Currently £5,000)
- All other major decisions not specifically delegated to Committees or staff

#### **6. PERFORMANCE MONITORING**

The Board will monitor performance against the annual plan and key performance indicators on a quarterly basis. The Board will also receive regular Management Information as well as performance-monitoring reports from Committees. This includes reports from the Society's Development Manager in respect of Introducers. Specimen Key Performance Indicators are set out in the Business Plan as well as in Appendix V.

The Board will undertake an annual performance review that assesses performance in relation to corporate and business plan objectives as well as key performance indicators. It will include a review of the main changes in the external framework within which the Society operates and identify their impact on the Society's work.

The annual performance review must include a review of the effectiveness of the Society's internal control arrangements and the effectiveness of the Society's Board structure.