

## **SHINE CHILDREN AND YOUTH SERVICES (SHINE)**

### **TERMS OF REFERENCE FOR AUDIT AND RISK MANAGEMENT COMMITTEE**

#### **1. Introduction and Rationale**

- 1.1 This committee was formed as a check and balance mechanism to ensure that the organization complies with the financial (including applicable Central Fund Scheme requirements) requirements/ practices/ policies/ procedures/ systems in accordance to the strategic directions, mission and core values of the organization.
- 1.2 This committee has the duty to ensure that SHINE Board members and staff do not put their personal interests before duty, must not profit from their position, and they must not have a conflict of interest with the business of the organization.

#### **2. Objectives**

- 2.1 The Committee shall ensure:
  - (a) That relevant policies are in place as part of good governance.
  - (b) Transparency in the financial policies/ procedures/ practices/ systems.
  - (c) That internal control systems with documented procedures are effective and adhered to.
  - (d) Risks associated with SHINE's operations or emerging trends are appropriately reviewed for mitigations

#### **3. Structure**

- 3.1 The Committee shall be appointed by the Board of SHINE.
- 3.2 The Committee shall report to the Board of SHINE and shall comprise:
  - (a) A Chairman who is a member of the Board and three persons.
  - (b) Of the three persons, one could be a member of the Board and another, an independent person who may be a member of the Advisory Committee, who is not a member of the Board or any independent person not serving on any committees. The final person need not be serving on any committees of SHINE.
- 3.2 Qualifications for Appointment:
  - (a) A member of SHINE who is a Singapore Citizen or Permanent Resident in Singapore.
  - (b) At least one member of the Committee is a Certified Public Accountant/Chartered Accountant or qualified in the field of accountancy/ finance/ audit related experience.
  - (c) The current and immediate past Honorary Treasurer shall not sit on the Committee.

#### **4. Terms of Reference**

4.1 The Committee shall:

- (a) Ensure that the financial statements and reports are in compliance with the legislations governing Charities and Institution of A Public Character (IPC) and the Singapore Financial Reporting Standards (SFRS).
- (b) Review and monitor financial controls on documented procedures on approving limits, signatories, procurement/payment, income/receipt, and fixed assets are in place and administered effectively.
- (c) Conduct periodic audit reviews to assist in the compliance of existing financial policies/ procedures/ practices/ systems and report to the SHINE Board on breaches, if any, for rectification.
- (d) Review and monitor risks, existing and/or emerging, confronting SHINE and provide specific advice on mitigation. Areas for risks assessment and review cover both non-financial and financial aspects.
- (e) Review and recommend the appointment of external auditor to the Board. Work with the external auditor on the final statements of accounts for the financial year.

**5. Term of Appointment**

- 5.1 The term of appointment for members shall be for a period of one year and the members shall be re-appointed by the Board to serve in the Committee for the following year. The Chairman shall not hold office for more than two years.

**6. Frequency and Timing of Meeting**

- 6.1 The Committee shall hold at least two meetings in a year.