Terms of Reference

Committee Name	Finance Committee
Date of Last Update	14 August 2026

1.0 Introduction

The terms of reference for the AIA Finance Committee ("the Committee") describes its purpose, scope and authority.

The terms of reference provides clear and specific information on how the Committee is organised, what the Committee is created to achieve, its membership and meeting arrangements.

As with AIA professional members, Committee members must act in the public interest using their professional judgement and skills to build trust in AIA and the profession more widely.

Committees of AIA's Council are underpinned by the following key principles:

- **Selflessness** – members should take decisions in terms of the public interest and not in order to gain financial or other material benefits for themselves, their families or friends.
- **Integrity** – members should not place themselves under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence them in the performance of their official duties.
- **Objectivity** – in carrying out the Association's business, including awarding contracts and recommending individuals for rewards and benefits, members should make choices on merit.
- **Accountability** – members are accountable for their decisions and actions to the Association's membership and the wider public and must be submitted to appropriate scrutiny.
- **Openness** – members should be as open as possible about the decisions and actions that are taken. Members should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty** – members have a duty to declare any private interests relating to their appointments and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – members should promote and support these principles by leadership and example.

2.0 Purpose

The Finance Committee is a committee of the Council established to provide detailed oversight of AIA's financial affairs and to support the Council in discharging its responsibilities for financial stewardship, sustainability, investment management and financial risk management.

3.0 Authority

The Committee derives its authority from the AIA Council, the governing body.

This is set out in the AIA Constitution under Bye Laws 9 and 10[1]. The Committee is not empowered to amend the AIA Constitution or reserved regulatory functions.

4.0 Scope

The Committee shall provide assurance and recommendations to the Council regarding:

- Financial strategy, policies and controls
- Annual budgets and forecasts
- Management accounts and financial performance
- Cash flow and treasury management
- Investment management and reserves
- Financial sustainability and risk management.
- Significant procurement and expenditure decisions
- Capital projects and major investments
- Financial aspects of business continuity and organisational resilience

5.0 Core Responsibilities and Duties

5.1 Financial Strategy and Planning

The Committee shall:

- Review and recommend the annual budget to Council
- Review a medium and long-term financial plan
- Monitor delivery of financial objectives and key performance indicators
- Consider financial implications of strategic proposals prior to submission to Council
- Review and challenge management assumptions underpinning budgets and forecasts

5.2 Financial Performance

The Committee shall:

- Monitor income, expenditure, cash flow and financial performance against approved budgets
- Review periodic management accounts and financial forecasts
- Investigate significant variances and seek assurance regarding corrective actions
- Monitor financial trends affecting the organisation's sustainability

[1] https://www.aiaworldwide.com/about-us/governance/

5.3 Reserves and Investment Oversight

The Committee shall:

- Recommend a reserves policy to Council
- Monitor compliance with approved reserves targets
- Oversee investment performance against approved objectives
- Review investment strategy and recommend amendments where appropriate
- Ensure investment decisions are consistent with AIA's risk appetite and long-term objectives

5.4 Financial Risk Management

The Committee shall:

- Review the principal financial risks facing AIA
- Monitor the effectiveness of controls designed to mitigate financial risks
- Ensure adequate financial resilience arrangements are in place
- Escalate significant financial risks to the Council where appropriate

5.5 Expenditure and Procurement

The Committee shall:

- Review significant expenditure proposals within delegated authority levels
- Monitor major contracts and financial commitments
- Seek assurance that procurement arrangements comply with approved policies
- Promote value for money and effective use of resources

5.6 Financial Policies

The Committee shall:

- Review and recommend financial policies to Council
- Monitor compliance with approved financial procedures
- Periodically review delegated financial authorities and approval limits

6.0 Membership

The Committee consists of at least five members, or such other number as required by the AIA Constitution.

From the membership of the Committee a Chair is elected, who must be a member of AIA's Council.

Only members of the Committee have the right to attend meetings of the Committee on a regular basis. Other individuals may be invited to attend all or part of any meeting, by the Chair as and when appropriate.

There is no length of time specified for membership of Committees.

All members attending the Committee have a right to vote, except for any individuals 'in attendance', and the Chair has the casting vote.

The AIA Council has the power to fill any casual vacancies in the Committee and to suspend or remove for misconduct any member.

The Committee may co-opt specialist advisers where necessary.

7.0 Chair Responsibilities

The Chair of the Committee is appointed in accordance with the Articles of the Association.

The Chair works with the Secretary to the Council and is responsible for:

- Ensuring meetings are called and held in accordance with AIA's Constitutional Documents and specific Committee Terms of Reference
- Agreeing dates, times, locations, and agenda for meetings
- Ensuring the meeting agenda and relevant documents are circulated to the members of the committee in advance of the meeting
- Officiating and conducting meetings
    - Ensuring there is sufficient time during the meeting to fully discuss agenda items
    - Ensuring that discussion on agenda items is on topic, productive and professional
    - Promoting constructive challenge
    - Ensuring minutes are complete and accurate, retained, included and reviewed at the next meeting in line with AIA's policy
- Providing leadership and ensuring committee members are aware of their obligations and that the Committee complies with its responsibilities

8.0 Meetings

8.1 Frequency

The Committee shall usually be held monthly and additional meetings may be convened as necessary.

8.2 Notice

Meetings of the Committee shall be arranged by the Secretary to the Council in line with the requirements of AIA's Constitution or additionally at the request of the Committee Chair.

Unless otherwise agreed, notice of each meeting, confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be provided to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting.

8.3 Quorum

A meeting shall be quorate when at least three members of the Committee are present (this can include the Chair). In the absence of the Committee Chair the remaining members shall elect one of themselves to chair the meeting.

8.4 Attendance

In addition to members of the Committee, other individuals may be invited to discuss specific agenda issues, for example AIA Executives, external experts or education partners.

Such attendees shall not have voting rights.

8.5 Decision Making

The Committee shall make decisions by majority vote. Where a vote is required on a particular decision each member shall have one vote and the Chair shall have a casting vote.

8.6 Conflicts of Interest

Members of the Committee are obliged to declare in advance of, and during, the meeting any actual, potential or perceived conflicts in line with AIA's Conflict of Interest Policy.

Conflicts shall be recorded in the minutes and members must withdraw from discussions or decisions where a material conflict exists.

Committee members must also complete annual declarations of interest.

8.7 Minutes

The Secretary to the Council shall minute the proceedings and resolutions of all meetings of the Committee; minutes of committee meetings shall be circulated to all members of the Committee and are reported to the AIA Council at the next Council meeting.

The minutes and papers of meetings held by the Committee should be held in accordance with agreed policies.

9.0 Reporting

The Committee shall endeavour to adopt best practice and strive to attain excellence in its deliberations. It will make whatever recommendations it deems appropriate on any area within its remit where action or improvement is required. The recommendations will be disseminated to the appropriate department and information relating to the actions taken will be reported back to the Committee at its next meeting.

The Committee shall exercise such powers and perform such duties as described in this document and additional duties which may be vested in or assigned to them by the Council from time to time, and all matters dealt with shall be reported to the Council at the next succeeding meeting of the Council.

The Committee shall therefore report regularly to AIA's Council, including:

- Key activities
- Decisions
- Emerging risks
- Performance against objectives
- Planned future developments

In particular the Committee shall escalate significant concerns immediately where qualification standards or public confidence may be affected.

10.0 Equality & Diversity

10.1 Member Responsibilities

Members of the Committee are reminded at the commencement of each meeting that they are required to act at all times in accordance with AIA's Equality and Diversity Policy and to:

- Treat all individuals with dignity, fairness and respect
- Promote an inclusive culture that values diversity of thought, background and experience
- Avoid unlawful discrimination, harassment, victimisation or bias
- Ensure their contributions and decision-making are objective, evidence-based and free from personal prejudice
- Challenge behaviours, practices or proposals that may adversely impact equality, diversity or inclusion

10.2 Committee Responsibilities

The Committee shall support and promote AIA's commitment to equality, diversity and inclusion in all aspects of its work. The Committee shall have due regard to the principles of fairness, accessibility, objectivity and non-discrimination when exercising its responsibilities.

10.3 Reporting and Escalation

Any concerns relating to equality, diversity, inclusion, accessibility or potential discriminatory impacts arising from the Committee's work shall be reported to the Chair and, where appropriate, escalated through AIA's governance framework for further consideration and action.

11.0 Annual Review

11.1 Terms of Reference

The Terms of Reference are reviewed annually by the Committee at the first meeting following the Annual General Meeting and changes enacted by the Secretary to the Council subject to approval by the AIA Council.

11.2 Performance Review

The Committee shall:

- Conduct an annual effectiveness review
- Review attendance, skills mix and performance
- Periodically benchmark its governance arrangements against recognised best practice

