

**NATIONAL SOLID WASTE MANAGEMENT
AUTHORITY (“NSWMA”)**



**TERMS OF REFERENCE
FINANCE & PROCUREMENT COMMITTEE OF THE
BOARD**

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CHARTER & TERMS OF REFERENCE
for the
FINANCE and PROCUREMENT COMMITTEE OF THE BOARD

1. ESTABLISHMENT:

The Board of the National Solid Waste Management Authority (the Authority) hereby establishes the **Finance Committee** of the Board (hereinafter called the Committee) with all the powers and duties set forth in this charter and subsequent resolutions of the Board.

The Committee shall prudently employ any powers delegated to it by the Board of Directors for the purpose of carrying out its duties or fulfilling its purpose.

2. PURPOSE:

The purpose of this Committee is:

(a) Finance, Corporate Planning & Administration:

To oversee and give guidance to the finance & administrative affairs of the NSWMA in keeping with all regulatory frameworks, namely: legislation, policies and standards, in order to secure the interest and financial health of the organization.

(b) Procurement:

To oversee and give guidance to the procurement affairs of the NSWMA in keeping with all regulatory framework, namely: legislation, policies and standards.

3. MEMBERSHIP & STRUCTURE:

The members of the Committee shall be no fewer than three non executive directors of the Board of Directors, to include a Chairman. The Chairman of the Board shall appoint the Chairman of the Committee who should be an independent non-executive Director; save and except that such person should not be a representative of the parent Ministry of the NSWMA.

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Invitees include the respective Department Heads and other members of the Executive body.

The members of the Committee shall be ratified by the Board.

Committee members shall serve for no more than 3 years at the first instance, and in respect of Directors of the Board, shall be eligible for reappointment for a further term of no more than 3 years.

A Committee member shall resign by giving at least one (1) month's notice in writing to the Chairman of the committee, which shall be copied to the Chairman of the Board.

Membership of the Committee may, with the approval of the Chairman of the Board, be terminated for failure to attend three consecutive meetings where no valid excuse has been provided; or for any other reason deemed valid by the Committee.

4. QUORUM:

The quorum of the Committee shall be two non-executive members at least one of whom shall be a director of the NSWMA board.

5. CO-OPTED MEMBERS & INVITEES:

The Chairman of the Committee shall be at liberty to co-opt or invite to its Committee meetings any individual who is not a member of the Board but who possesses the necessary skills and qualifications to assist the Committee to adequately perform its functions.

Co-opted members shall not be more than two and shall have the same rights and responsibilities as Board Committee members.

Invitees are not allowed to vote and cannot be counted for purposes of a quorum.

Any member of the Board may attend meetings of the Committee; save that such a Director who is not a member of the Corporate Governance Committee shall not be entitled to vote at the Committee meeting and would not constitute a part of the quorum.

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All persons have an obligation to appear before the Committee once an invitation has been issued.

Invitees may include:

- a) the respective NSWMA Department Heads;
- b) other members of the Executive and Managers of the NSWMA as required; and
- c) internal or external specialists or experts.

6. SECRETARY:

The Secretary of the Committee shall be the Company Secretary or such other person as the Committee appoints.

The Secretary shall:

- a) prepare the notice and agenda for the meeting and circulate same at least 7 clear days prior to the meeting;
- b) draft the minutes of the meetings and all other reports as directed by the Chairman;
- c) collect and disseminate information necessary for the proper functioning of the Committee.

7. ADVISOR(S) & RELATED EXPENSES:

The Committee is authorized by the Board to seek appropriate professional advice both internally or external to the Authority as and when it considers this necessary, and with the approval of the Board has the authority to retain independent legal or other consultants and to recommend related fees and retention terms in accordance with government procurement guidelines and the Board Charter.

The Committee shall receive the funding it deems necessary or appropriate for ordinary administrative expenses with the approval of the Board.

8. MEETINGS:

The Committee shall meet as often as required but no less than quarterly. Meetings shall be scheduled annually in advance where possible.

The Committee may meet by video conference or telephone conference call if its members so decide.

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A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities and responsibilities of the Committee. A member's participation in a meeting by video link or audio link shall be regarded as valid for these purposes.

Decisions are taken by simple majority. In the event of equality of voting, the Chairman's vote is decisive.

The Secretary, at the request of the Chairman, shall summon meetings of the Committee.

Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member at least one week in advance of the meeting. Circulation of documents may be effectuated by email but with hard copies made available to members at least three days before the meeting.

9. MINUTES:

The Committee shall keep minutes of its proceedings and report regularly to the Board.

Minutes will be signed by the Chairman of the Committee and will form a part of the permanent records of the Company.

Each member of the Committee will receive a copy of the Minutes before the next meeting of the Committee.

The Minutes of meetings of the Committee and all other reports shall be reviewed by Committee members prior to the meetings of the Committee.

10. DUTIES & RESPONSIBILITIES:

Finance and Corporate Planning:-

The Committee shall:

1. Ascertain and/or set the financial planning and reporting requirements and deadlines. These include corporate plans and budgets, accounts,

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audits, taxation and annual reports.

2. Ensure that reporting requirements and deadlines are met.
3. Set and review financial targets, plans and budgets
4. Monitor actual financial performance against the set plans, targets and budgets and revise as deemed necessary.
5. Recommend banking mandate, financial institutions and limits
6. Ensure that the NSWMA is in full compliance in terms of income tax, general consumption tax (GCT) when applicable, statutory deductions and payments (see appendix B)
7. Review and recommend finance and accounting policies
8. Review and implement circulars

Procurement:

1. Monitor compliance with the Government procurement policy and internal procedures for both capital and recurrent expenditures
2. Review and make recommendations for the update of Terms of Reference of the Finance & Procurement Committee
3. Review internal Procurement committee recommendations
4. Work in tandem with internal Procurement committee

11. REPORTS TO THE COMMITTEE:

- (a) The respective Departments shall submit monthly reports to the Committee for review.
- (b) The reports shall include but not be limited to details of action taken in response to specific instructions given by the Committee, explanation of variances and corrective measures taken.
- (c) These reports should be circulated to Committee members at least seven (7) days prior or to the Committee meeting.

12. REPORTS BY THE COMMITTEE:

In fulfilling its tasks, the Committee shall regularly consult with the Authority's Chairman.

The Chairman of the Committee will report to the Board after each meeting of the Committee on its findings and on any actions taken by it and any matters which require the approval of the Board.

Board members shall have access to all records of the Committee.

13. GENERAL:

The Committee shall:

- a) consider other matters as determined by the Board; and
- b) report on all of the above matters to the board.

Appendix A

Corporate plans are prepared annually and reviews/ reported quarterly to the Ministry of Local Government and Community Development. The draft is to be submitted by January 1 and the approved by January 31. The corporate plan covers three years with the first year representing the operation plan, which is broken out into quarterly targets. The Corporate Plan must be copied to the Ministry of Finance.

- Budgets are prepared annually based on the operational plan (first year of the three-year corporate plan) and submitted to MLGCD and Ministry of Finance (MOF)
- Accounts are prepared monthly and quarterly and circulated by the 15th internally and externally to MLGCD and MOF.
- External Audits must be completed after the year end in time for the annual report to be prepared and submitted within 120 days after the end of the financial year, as per the Public Bodies Management and Accountability (PBMA) requirement.

Appendix B

- Annual Income Tax returns are to be filed by march 31, following the Accounting year-end.
- Quarterly estimated income tax is to be paid by the 15th of each quarterly month end.
- Monthly statutory deductions are to be paid to the respective institutions by the 14 of the following month.
- Annual statutory returns (for the calendar year) are to be filed by January 31 each year.

Abbreviations Used

MLGCD: Ministry of Local Government and Community Development
MOF: Ministry of Finance

These Terms of Reference will come into force upon its adoption by the Board of Directors, except where expressly mentioned otherwise.

These Terms of Reference can be amended at any time by a decision of the Board of Directors.