

## Audit & Risk Committee Terms of Reference

This document should be to read in conjunction with Terms of Reference appendix A

### Delegated Authority

Governance Regulation	Section Committees, section 7 and 8.
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### Purpose

To assess the effectiveness of risk management and internal controls across the organisation, reporting to and advising the Board of Trustees.

### Duties

The Committee shall carry out the duties detailed below for the parent charity, for subsidiaries or branches and for the group, as appropriate.

The Committee Chair shall report to the Board of Trustees after each meeting on matters within its duties and responsibilities.

The Committee shall:

1. Review the fundamental risks facing the organisation and ensure controls are in place to manage those risks.
2. Satisfy itself that other risks are being actively managed with appropriate and effective controls in place.
3. Review compliance with internal controls, policies, and procedures.
4. Review the risk register on a regular basis concentrating on the significant strategic risks and control measures.
5. Have oversight of the risk status of major projects.
6. Recommend to the Board of Trustees a suitable risk management policy for the organisation.
7. Oversee the appointment, independence, and rotation of the external auditors, complying with best practice.
8. Recommend the external audit fee to the Board of Trustees and the appropriate Boards and advise on the implications of any non-audit services provided by the auditors.
9. Agree the nature and scope of the external audit and review the auditors' quality control procedures.
10. Review the external auditors' management letters and management responses.
11. Assess compliance of the Board of Trustees and committees (and any other subsidiary body) with their Terms of Reference and agree the frequency of audit.
12. Oversee the appointment of IChemE members as internal auditors who will be tasked with assessing the compliance of the Board of Trustees and committees and providing a report back to the Audit and Risk Committee.
13. From time to time investigate certain processes or risks in more detail.
14. Receive reports of any breach of controls.

15. Produce an annual report to Board of Trustees summarising its activities and the organisation's risk management. The report shall be approved by the Committee prior to submission to the Board of Trustees.
16. Make whatever recommendations to the Board of Trustees it deems appropriate on any area within its remit where action or improvement is needed.

## Membership

The membership of the Committee shall be appointed by the Board of Trustees.

A call for interest from the Membership will be made in advance of appointments, and a small selection panel from the Audit & Risk Committee will review candidates' applications for suitability before making recommendations to the Board of Trustees.

Members shall have some previous experience or background in financial or risk management processes.

There shall be a minimum of five members, including the Chair, of which one member may be appointed from an external organisation and two must be Trustees of the Institution.

## Meetings

The quorum necessary for the transaction of business shall be three members. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

The Committee shall normally meet four times a year at appropriate intervals and otherwise as required.

Only the members of the Committee have the right to attend Committee meetings. However, the Finance & Business Support Director and Chief Executive shall attend all meetings. Other members of the executive team and external advisers, including the external auditors, may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Meetings of the Committee shall be convened by the Finance & Business Director office or Committee Chair.

The external audit partner may request a meeting be called if they consider it necessary.

The Chair of the Committee should attend the Institution's Annual General Meeting to respond to questions from members on the Committee's activities.

## Other matters

The Committee shall:

- have access to sufficient resources in order for it to carry out its duties;
- be provided with appropriate training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- give due consideration to laws, regulations and any published guidelines or recommendations of the Charity Commission or other applicable rules as appropriate;
- arrange for periodic review of its own performance, and at least annually review the Committee Terms of Reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to Board of Trustees for approval.