

Terms of Reference for the Science Council Finance, Audit and Risk Committee

(Agreed by the Science Council Board April 2017)

Finance, Audit and Risk Committee Terms of Reference

Responsible to: Board of Trustees

Purpose

To review and advise the Board on the adequacy and effectiveness of the Science Council's arrangements for accountability, risk management, control and governance; to consider and advise the Board on the provision of external audit for the Science Council and recommend actions to the Board to ensure that the organisation is taking appropriate steps to comply with all relevant aspects of law, regulation and good practice.

Duties

- Monitor and review the effectiveness of the organisation's risk management and advise the Board on steps to ensure that these follow good practice.
- Work with the Governance Committee to ensure that the charity has effective governance arrangements.
- Monitor, review and advise the Board on the minimum and optimum level of internal (if applicable) and external audit arrangements.
- Review arrangements with respect to regular audits out in the following areas: legal, risk, financial (including statutory annual audits, VAT and PAYE), health and safety, investments and insurance, and to contribute to these reviews.
- Identify the criteria for the appointment and remuneration of the external auditor, the provision of any non-audit services by the external auditor, and any questions of resignation or dismissal of the external auditors.
- Annually review the performance and effectiveness of external auditors and make recommendations to the Board concerning their reappointment or amendment to terms of engagement.
- Investigate any financial or administrative matter which may put the organisation at risk.
- Review the effectiveness of the organisation's systems and procedures for ensuring that it obtains value for money from all its expenditure.
- Monitor cash flow, reserves level and the production of management accounts.
- Advise the Board on the optimum level of reserves the charity should hold.
- Regularly review the charity's financial policies and procedures, including the management accounts and annual budget.
- Investigate any activity within its Terms of Reference and scope of responsibilities, to seek any information it requires, and to ensure the attendance of the executive and other individuals at meetings as appropriate.

Reporting responsibilities:

- The Chair of the Committee, or a delegated individual, will report to the Board after each meeting on all matters relating to the Committee's duties and responsibilities.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Membership and terms of office

- Appointed by the Board, the Committee will consist of a Chair, the Honorary Treasurer, no fewer than three trustees (one of whom may be the Treasurer), and no fewer than two independent members.
- The Chair of the Committee will serve for one renewable term of three years and must not be an employee or member of a Member Body.
- Independent members will serve for one renewable term of three years and will not be members or employees of a Member Body.
- The Chair and independent members will be expected to have accountancy and/or finance expertise.

Attendance of non-members at meetings

- Individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- The Chief Executive will attend meetings as an observer and be supported by the Corporate Services Manager and/or Governance Manager.
- Discussion on confidential matters relating to the executive shall take place in absence of the Chief Executive and attending staff.
- The Committee shall meet with the external and internal auditor at least once per annum.

Frequency of meetings

- Meetings shall be held at least four times per annum and, where appropriate, will coincide with key dates in the organisation's financial reporting cycle.
- The Chair of the Committee may request a meeting if they consider that one is necessary.

Quorum

- Four, of which one may be the Chair, one must be a trustee and two must be independent members.
- If the Chair is not available a nominated Committee member who will be an independent member will assume chairing responsibility.
- In the event of a tied vote, the Chair will hold the casting vote.

Decision-making

- A written resolution circulated to all Committee members eligible to vote on the matter at a meeting and approved by a two thirds majority of them is as valid as a resolution passed at a meeting of the committee and for this purpose:
 - the number of members who approve the written resolution must be at least as many as would be required to form a quorum at a meeting; and
 - the written resolution may be contained in more than one document and will be treated as passed on the date of the last signature.
- Written resolutions may be circulated and approved by electronic means, including email.

Reporting procedures

- The minutes of Committee meetings shall be available on request to all members of the Board.
- The Chair of the Committee, or a delegated individual, will report to the Board after each meeting on all matters relating to the Committee's duties and responsibilities.
- The Annual Report should describe the work of the Committee in discharging its responsibilities, including the significant issues that it considered in relation to the financial statements and how these issues were addressed; an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment, continuation or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted; and, if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded.
- The Committee shall, at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.