

**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, financial controls 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 and delegated authority**

- Monitor and review the effectiveness of the organisation's risk management and advise the Board on steps to ensure that these follow good practice.
- 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 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.
- Annually review the charity's financial policies and procedures.
- Regularly review the charity's management accounts and monitor and advise the Board on cash flow.
- Approve debt write-off of up to 1% of income, which will be cumulative over a calendar year and based on the previous year's income.
- Review the Science Council's reserves level quarterly or as and when required and review annually the reserves policy and advise the Board on the appropriate level of reserves the charity should hold.
- Review the annual budget prior to approval by the Board.
- Annually review and advise the Board on any increase (or otherwise) in fees.

- 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.

### **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 term of three years, which is renewable for one further term of up to three years.
- The Chair must not be an employee or member of a Member Body.
- A trustee that is not an employee or a member of a Member Body will be considered to be an independent member of the Committee and their term of office on the Committee will end when their term of office as a trustee ends.
- Independent members who are not trustees 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 who are not trustees will be expected to have accountancy and/or finance or risk management 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 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 auditor at least once per annum without the presence of management.

### **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**

- Three, of which one may be the Chair, one must be a trustee and two must be non-trustee 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 of the meeting will hold the casting vote.

### **Decision-making**

- Committee members participate in a meeting, or part of a meeting, when they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting (for example via telephone or video conferencing).

- In determining whether Committee members are participating in a meeting, it is irrelevant where any Committee member is or how they communicate with each other. If all the Committee members participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 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 Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 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.

### **Review**

- 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.