

CILEx Audit and Risk Committee Terms of Reference

Purpose

Accountable to the CILEx Group Board, with responsibility for assessing, reviewing and managing the Group's audit and risk functions.

Remit

External Auditors

1. Oversea and monitor the audit process to include the appointment of the auditors on an annual basis.
2. To oversee the process for selecting the external auditor;
3. To discuss the nature and scope of the audit with the external auditor, before the audit starts, and review the auditors' quality control procedures and the steps they take to respond to changes in regulatory and other requirements.
4. Review and advise on the external auditor's management letter and management's response.

Internal Audit and Compliance

5. Review and approve the Group's internal audit programme and insure the internal audit function is adequately resourced and with sufficient profile within the Group.
6. Review and advise on Group procedures around compliance with:
 - Adequacy and security for confidential concerns to be raised by members, employees and contractors within the Group governance structure in relation to financial reporting and other matters [Whistleblowing];
 - Detecting fraud;
 - Prevention of bribery.
8. Be the formal primary interface with the Charity Commission on any investigation or enquiry into Group financial affairs.

Risk Management

9. Oversee and advise on risk exposures of the Group and the risk strategy to manage them;
10. Determine corporate appetite towards risk;
11. Review the Corporate Risk Register and hold the Group Executive to account for the identification, assessment and management of risk;

12. Review and advise on reports of any material breaches of risk limits, methods of mitigation and adequacy of proposed actions.
13. Advise and review risk policies to ensure appropriateness of risk appetite across the Group.
14. Provide advice, oversight and challenge necessary to embed and maintain a supportive risk culture within the Group.
15. Advise specifically on the risk associated with any major projects being undertaken anywhere within the Group structure, receiving reports and updates from the same.

Financial Reporting

16. Review and challenge consistency and any changes to Group accounting policies and methods used to account for significant or unusual transactions.
17. Consider whether the Group has followed appropriate accounting standards, taking into account the views of the external auditor.
18. Review clarity and completeness of Group financial statements and statements and all material information in them as it relates to audit and risk management.
19. Review and challenge where necessary actions and judgement of management in relation to financial statements

Members

Maximum:

- 3 Independent members
- 2 Professional members

Chair

Independent Chair to be appointed by the Appointments & Scrutiny Committee

Vice – Chair

Vice-Chair to be appointed from the members of the committee by the Appointments & Scrutiny Committee

Quorum

- 2 Independent members
- 1 Professional member

Frequency of meetings

Minimum of 2 meetings per annum

Commitment

1. You should be prepared to read and/or attend any relevant induction or training materials or events as reasonably required to enhance the governance of CILEx;
2. You should attend all scheduled meetings for the Committee;
3. Where you find you are unable to attend a meeting, you should inform the executive team 1 month ahead of that meeting;
4. You should ensure that you have read and digested the content of relevant meeting papers sent to you ahead of meetings with the agenda. Where you have any query as to their content, you should raise those queries in advance of the meeting;
5. When attending meetings, you should engage in debate and make contributions to discussions;
6. You should be respectful of the position of the Chair, of the collective responsibility of Committee decisions and of the majority any prevailing votes;
7. You should be prepared to participate in the Committee's performance and evaluation exercise, under the auspices of the Appointments & Scrutiny Committee, including annual performance appraisal and the end of term of office review at the end of your 3 years appointment