

AUDIT COMMITTEE REMIT

The Audit Committee exists to advise the Board on external and internal audit, risk management, policy review, staff terms and conditions, Employment Law and to make decisions on matters delegated to it by the Board, as listed under sections 1 to 7 of this remit.

It is the responsibility of the Audit Committee to monitor the integrity of the financial statements of the Association and any formal announcements relating to the Association's financial performance, and reviewing significant financial reporting judgements contained in them.

1.0 Constitution and Composition of the Committee

1.1 The Audit Committee will have sufficient authority and resources, including the right to obtain all information necessary, and to consult widely, both internally and externally as required. The Committee is authorised to seek relevant and appropriate information to support its activities and to obtain necessary external professional advice within these Terms of Reference in line with budget provision.

1.2 The Audit Committee will act in an advisory capacity to the Board but will also be able to take decisions as defined within its delegated authority.

1.3 At least three non-executive members of the Board shall serve on the Audit Committee. The Board must be satisfied that at least one non-executive member of the Audit Committee has recent and relevant financial experience.

1.1 The Chairperson of the Association may be a member of the Audit Committee but shall not be Chair of the Audit Committee.

1.2 The Audit Committee will have the right to report directly to the Chairperson of the Association.

1.3 Three members of the Audit Committee shall form a quorum (excluding co-opted members).

1.7 A Chairperson will be elected from amongst the members of the Committee at its first meeting following the Annual General Meeting of the Association.

1.8 If the Chairperson is absent from a meeting of the Committee, the other members will select one of their number to chair the meeting, who shall be entitled to use the casting vote

1.9 The Audit Committee is subject to the Rules of the Association, to the overall authority of the Board, to the Standing Orders and to all the Policies approved by the Board.

2.0 External Audit

- 2.1 Receive from the external auditor the annual report/management letter, consider its recommendations, report to the Board on its implications and monitor the implementation of any recommendations.
- 2.2 Ensure that the Association is getting good value for money from its external auditor.
- 2.3 Review the external audit work on behalf of the Board.
- 2.4 Recommend to the Board the re-appointment or otherwise of the external auditor.
- 2.5 Recommend to the Board the fee to be paid to the external auditor.
- 2.6 Approve any engagement of the external auditor for the supply of non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- 2.7 The External Auditor has the right of access to the Audit Committee Chairperson and also the right to request a meeting of the Committee be convened, if in their opinion it is necessary.

3.0 Internal Control

- 3.1 Satisfy the Board that there is a sufficient, systematic review of the internal control arrangements of the Association, both operational (relating to effectiveness, efficiency and economy) and financial.
- 3.2 Ensure that weaknesses in controls are corrected and reported to the Board accordingly.
- 3.3 Consider the external auditor's management letter.
- 3.4 Commission special investigations into matters of particular concern relating to internal control.
- 3.5 Learn from the internal audit function of any major audit findings, determine any action required, monitor its implementation, and report to the Board thereon.
- 3.6 Review and report on all Registers i.e. Fraud, Bribery and Corruption, Payments and Benefits, Gifts and Hospitality and Declarations of Interest to each Audit Committee meeting.

4.0 Internal Audit

- 4.1 Ensure that the Association has appropriate internal audit arrangements and to approve the scope and/or limitations of such arrangements.
- 4.2 Review and monitor the effectiveness of the Association's internal audit function and make recommendations to the Board regarding the appointment, reappointment and removal of the internal auditor.

4.3 Review the planned programme of work of the internal audit function to ensure its appropriateness.

4.4 Receive and consider reports of Internal Auditor's findings and recommendations.

5.0 Special Provisions relating to Internal Audit function

5.1 The Committee should meet with the Internal Auditor, at least once a year, without officers being present, to ensure there are no unresolved issues of concern.

5.2 The Internal Auditor has the right of access to the Audit Committee Chairperson and also the right to request a meeting of the Committee be convened, if in their opinion it is necessary.

6.0 Equal Opportunities Policy

6.1 Comply with the terms of the Association's Equal Opportunity policy insofar as they relate to the remit of the Committee to prevent discrimination taking place.

7.0 Risk Management

7.1 Maintain and review the Association's Risk Management policy and framework.

7.2 Monitor and review the Association's Risk Map and progress against key risks.

7.3 Present a Risk Management Report to the full Board on an annual basis including details of the key risks facing the Association, action taken and a copy of the Association's full risk map.

8.0 Whistleblowing & Fraud

8.1 The Audit Committee will review the arrangements for whistleblowing and the detection of fraud.

9. Human Resources

9.1 Consider and make recommendations on staffing establishment levels with regard to current and future requirements.

9.2 Consider and make recommendations on all staffing policy matters e.g. those relating to terms of conditions, employment law and employer responsibilities, staff training and development, employee development, dignity at work and the maintenance of best practice in employer/employee relationships.

- 9.3 Regularly benchmark the Association's pay and conditions against other organisations and make recommendations with regard to changes.
- 9.4 Ensure that all recommended changes to staff terms and conditions have been fully discussed with the staff and/or any trade union and that full agreement has been reached.
- 9.5 Consider and make recommendations regarding any changes in pension legislation that may affect terms and conditions or financial operation of the association.
- 9.6 Consider and make decisions or recommendations on matters relating to Payments and Benefits policy insofar as they relate to staffing matters.

10. Policy Review Timetable

- 10.1 Monitor the Association's policy review timetable.

11.0 Attendance of Officers at Audit Committee Meetings

- 11.1 The Chief Executive and Chief Operating Officer will normally attend Audit Committee meetings. Other senior management team members will attend Audit Committee meetings when appropriate. Other staff and external parties such as consultants and advisors will be attend when appropriate at the invitation of the Audit Committee.
- 11.2 The Chairperson of the Audit Committee may require staff, consultants and advisors in attendance to leave the room, as required, due to the sensitivity of the matter under discussion.

12.0 Reporting by the Audit Committee

- 12.1 All members of the Board who are not members of the Committee will receive a copy of the full minutes of each meeting.
- 12.2 The Chairperson of the Audit Committee will speak to the approved minutes of the last Committee meeting/s, at the next meeting of the Board and account to the Board for all decisions taken under delegated authority.