



Audit and Risk Committee

Terms of Reference

1. Authority of the Committee

The Committee is an advisory body and shall provide recommendations to the Board. The Committee is authorised by the Board to carry out any activity within its terms of reference, and to seek any information it requires from any NEBOSH employee and from such other persons who work on behalf of NEBOSH.

2. Purpose

The committee provides assurance to the Board by reviewing the comprehensiveness and integrity of financial statements, reliability of governance arrangements, risk management and internal controls.

3. Responsibilities

The committee's responsibilities include, but not limited, to the following areas

Financial

1. Receives the annual accounts, auditors report and management letter on behalf of the Board and recommends to the Board of Trustees that they are approved (or otherwise) and submitted to Companies House
2. Receives the Annual Charities Commission return and recommend to the Board of Trustees that it is approved for submission.
3. Reviews any changes or additions to financial reporting procedures and processes and escalates any changes to the Board as it sees fit.
4. Approves the Purchasing Policy and Sign Off Approval Levels
- 5.

Internal control and risk management

1. Review the Strategic Risk Register and Risk Overview Report at each meeting held prior to the Board meeting and at any other meeting if required and advise the board of any strategic risks which require their attention
2. Monitor the Risk Management Policy and its implementation and effectiveness and review on an annual basis prior to its approval by the Board.
3. Reviews the Scheme of Delegation (as per its review cycle, or as changes become necessary) and recommends its approval by the Board
4. Keep corporate governance under review and advise the Board on any amendments that may be required

Compliance, whistleblowing, and fraud

1. Investigate any activity within its Terms of Reference, including incidents of attempted or actual fraud, and to seek any information it requires from any NEBOSH employee and from such other persons who work on behalf of NEBOSH
2. Reviews the Whistle-blowing policy and recommends to the Board its approval
3. Approves policies relating to Bribery and Fraud

Internal Audit/External audit

1. Advise the Board on the appointment of internal and external auditors
2. Hold an annual meeting in private with the external auditors
3. Review the appointment and performance of internal and external auditors
4. Approve the Internal Annual Audit plan
5. Ensures robust arrangements for the effective co-ordination of internal audit and external audit activity are in place

The Committee will conduct a review of its performance, its constitution, and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

4. Membership

The committee membership shall comprise of at least two Trustees and shall never be more than 50% of total Trustee numbers on the Board. The Quorum will be 2. Trustees are able to sit on the Committee where their input is required, or for development purposes, however if this takes the number of members over 50% of the total Board, that member will have no voting rights.

The committee should contain an appropriate skill mix to allow it to carry out its overall function, including a qualified accountant who will act as Chair. The Chair of the Board of Trustees shall not be the Chair or a member of the committee, unless in exceptional circumstances and only with prior agreement of the Board.

Only members of the committee have the right to attend committee meetings. However, other individuals such as Internal and External Audit Partners, the Chief Executive, the Corporate Services Director, and the Head of Finance, will be invited to attend meetings of the committee on a regular basis. All Directors can attend the meetings and other non-members may be invited to attend for all or part of the meeting as and when necessary.

The Committee reserves the right to recommend the appointment of independent representation on the Committee to assist with any specific areas that may require specialist input. These individuals will be approved by the Board of Trustees as members of the Committee.

5. Chair and Servicing Officer

The Board of Trustees shall appoint the committee Chair. In the absence of the committee Chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

A nominated NEBOSH staff member shall act as servicing officer of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

6. Decision-making

The Committee has authority to make decisions in so far as it is empowered to do so by the Board and as recorded in these Terms of Reference. On matters beyond its authority, the Committee makes recommendations to the Board for its approval.

7. Confidentiality

Information provided to and outputted by the Committee is to be deemed of a confidential nature and must not, unless agreed by the Chair, be shared outside of the organisation.

8. Frequency of meetings

The committee shall meet at least [four] times a year prior to the quarterly Board meetings. Additional meetings may be scheduled if required.

9. Resources (inputs)

- Strategic Risk Register
- Financial Accounting Policies
- Fraud and Bribery Policies
- Annual Report
- Internal Audit Report and Annual Plan

10. Documentation (outputs)

- Minutes from each meeting which are to be shared with the Board
- Annual Report of activity, including evidence of its own review of effectiveness

11. Standing agenda items

Declarations of Interest
Strategic Risk Register
Internal Audit Update
External Audit Update

A list of additional items to be received by the Committee is attached at Appendix. This is subject to change as required to meet the needs of the Business.

12. Circulation List

Chief Executive
Senior Management Team
Trustees
External Auditor

Appendix 1
Meeting Additional Agenda items

The schedule of meetings follows the annual business cycle.

Quarter 1	Annual Report Timetable Internal Audit Annual Report External Auditor Annual Plan
Quarter 2	Consideration of audited accounts, Annual report review Review of draft management letter Private meeting between Trustees and External Auditor Statement on Risk for the Annual report
Quarter 3	Charity Commission Return Review, Review of External Auditors and Recommendations for Appointment/Re-appointment Risk Management Policy
Quarter 4	Reserves Policy Approval of Internal Audit Annual Plan Governance Discussion Review of Committee Effectiveness External Auditor Annual Report Preparation of Committee report for the Board

Policies and Procedures that the Committee is required to review and/or approve will be sent to the next meeting available as determined by the Document Control Log, or by exception if changes are required, or requested.