

Audit, Risk and Evaluation Committee

1. Terms of Reference

Purpose: Reporting to the Board of Trustees, the Audit, Risk and Evaluation Committee is responsible for the oversight of the:

- (i) annual audit process
- (ii) Governance and Risk Management Framework; and
- (iii) the Evaluation Framework.

The Committee shall provide assurance and recommendations to the Society on the effectiveness of the above to ensure that the Society achieves its three strategic priorities:

1. *Through a better understanding of the diversity of our members, we will enable them to strengthen their existing relationships and gain access to new communities, unlocking the potential for international collaboration and global knowledge exchange.*
2. *By harnessing local knowledge for worldwide impact, we will advance understanding of microbiology and champion the contribution made by microbiology, our members and their work in addressing global challenges.*
3. *By recognising global differences in accessing opportunities at the Microbiology Society, we will build on existing strong financial and governance foundations to reinforce long-term sustainability and resilience through diversifying income streams, increasing efficiency and ensuring robust mechanisms for decision-making, monitoring and evaluation.*

The Chair of the Committee shall report the proceedings of the Committee annually, usually to the Meeting of the Trustee Board following the audit, identifying any matters where it considers that action or improvement is needed and making recommendations as to the steps to be taken.

The Society is committed to creating an inclusive culture that supports equality and diversity and fully reflects both its membership and the global microbiology community across all protected characteristics. The Society seeks to actively encourage all practices that reflect a diverse society.

By participating in Committee meetings, all Committee members agree to respect other members' opinions and give all present a chance to contribute. The Chair is responsible for running the meeting, please support them to keep to time. Certain topics discussed will be confidential, therefore Committee members are asked to be mindful not to repeat such information outside of the meeting.

2. Duties

The Audit, Risk and Evaluation Committee will advise, oversee and support the implementation of the following:

2.1 Audit

- Be consulted on (and have the opportunity to challenge) ~~Consider~~ the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal and, having done so, make recommendations to the Trustee Board regarding the appointment.
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and request that the changes are made where appropriate. This may include discussing regulatory changes that have occurred since the last audit. Assess the independence and objectivity of the external auditor, ensuring that the Auditors and Lead Partners are rotated as appropriate.
- Be consulted on any fees in respect of non-audit services provided by the external auditor to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- Discuss with the external auditor issues such as compliance with charity accounting recommended practice and proposals by the external auditor regarding internal control weaknesses.
- Review, with the external auditors and outsourced finance team the findings of their work, including:
 - discussing the major issues that arise during the course of the audit
 - reviewing key accounting and audit judgements, and
 - reviewing levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted.
 - discussing and making a recommendation to the Trustee Board on 'going' concern' and the associated statement.
- Review the external auditor's management letter, letter of representation and the management's response
- Be informed by regular update from the Trustee Board which may include updates on ~~Review~~ compliance with Charity Commission guidance and regulatory requirements including serious incident reporting.
- Review the effectiveness of procedures for handling allegations from whistle blowers.
- Be informed by regular update from the Trustee Board which may include updates on any relevant policies.

2.2 Risk

- Consider and make recommendations to the Trustee Board on the effectiveness of its risk management framework by an informed assessment of the risks to the Society's objectives using, to this end, the Committee will undertake the following:

- Advise on clear definitions of the types and levels of risk considered acceptable
- Consider the Society's risk register on a regular basis and make recommendations to the Trustee Board regarding the Society's risk framework and risk management activity.
- Invite Risk Owners to discuss risk management processes
- Review reports of Risk Events
- Review and approve the risk appetite statement prior to endorsement by the Trustee Board.
- Be informed about and consulted on governance arrangements.
- When directed by the Trustee Board consider the risks and benefits within any significant contracts being considered by the Society and provide reports to the Trustee Board to assist its decision making.
- Scrutinise any other special strategic operations, including cost reductions, change programmes and material projects if they are considered to pose a significant risk, either at its own volition or following a request from the Trustee Board.

2.3 Evaluation

- Review and advise on the Society's Evaluation Framework and impacting reporting.
- Report by exception where the Committee is concerned about the effectiveness of the Evaluation Framework.
- Challenge the conclusions of the evaluation analysis, where necessary.

2.4 General

- Ensure there is close collaboration with other Committees and organisations on areas of common interest.
- Ensure relevant advice and recommendations are properly reported to the Trustee Board.
- The Committee's duties and activities during the year shall be disclosed in the annual report of the Society.

3. Meeting schedule

The Committee will meet three or four times a year, where appropriate coinciding with key dates in the Society's financial reporting and audit cycle. The frequency and timing is decided by the Committee Chair. In addition, the Committee will transact its business between meetings by email and other communications to ensure sufficient reporting mechanisms to the Trustee Board.

4. Membership

The membership requires a balanced portfolio of skills and knowledge to be able to fully support and engage with the remit of the Committee. The Committee comprises of:

- A Chair; an external Chair with no connection to the Society.
- One or two Advisory Council representatives; this may reshuffle among the Elected Members of Advisory Council each year. At least one member of the Committee shall have some financial experience.
- Treasurer (and Treasurer-elect when appropriate)
- A representative from the Early Career Forum Executive Committee, who serves for two years.
- Up to two co-opted members who do not have to be members of the Society but who should be chosen to include an appropriate range of skills and expertise not found among the membership; an important role of co-opted members is to provide constructive challenge.
- The Chief Executive, the Chief Operations Officer, the Chief Programmes and Partnerships Officer, and the Chief Communications Officer. The Society's outsourced finance partners and the Society's external auditors may also be in attendance for some meetings.

Unless otherwise stated, the term of office for all positions is three years.

Quorum:

The Chair or an external member and two ~~four~~ other members of the Committee must be present at any of its meetings to make the proceedings of that meeting valid.

The Committee is supported by the Chief Operations Officer.

Other members of staff attend meetings as appropriate.

5. Authority

- The Committee is authorised by the Trustee Board to investigate any activity within its terms of reference. It has unrestricted access to management, books and records and is authorised to seek any information that it requires from any employee. All employees shall be directed to cooperate with any request made by the Committee.
- The Committee is authorised to recommend outside legal, accounting or other independent professional advice at the Society's expense (with the agreement of the Trustee Board) and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.