

Audit, Risk and Evaluation Committee

1. Terms of Reference

Purpose: Reporting to Council, the Audit, Risk and Evaluation Committee is responsible for ensuring scrutiny and transparency in the financial management of the Society. The Committee shall provide assurance and recommendations to the Society on the effectiveness of its governance and of its risk management framework to ensure that the Society achieves its three strategic priorities:

1. *We will enable our members to strengthen their existing relationships and gain access to new communities, unlocking the potential for knowledge exchange.*
2. *We will advance understanding of microbiology and champion the contribution made by microbiology, our members and their work in addressing global challenges.*
3. *We will reinforce the Society's long-term sustainability and resilience by diversifying income streams, increasing efficiency and ensuring robust governance.*

The Chair of the Committee shall report the proceedings of the Committee annually, usually to the Meeting of Council 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 co-Chair/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

- Consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal and, having done so, make recommendations to Council regarding the appointment.
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and to review the auditors' quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.

- Assess the independence and objectivity of the external auditor, ensuring that key partners are rotated at appropriate intervals.
- Approve 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.
- Review the external auditor's management letter and management's response.
- Review compliance with Charity Commission guidance and regulatory requirements including serious incident reporting.
- Review the effectiveness of procedures for handling allegations from whistle blowers.
- Review policies for preventing or detecting fraud.

2.2 Risk

- Consider and make recommendations to Council on the effectiveness of its risk management framework by an informed assessment of the risks to the Society's objectives using:
 - a clear definition of the types and levels of risk considered acceptable
 - compliance with the appropriate controls, standards and processes, and regulatory requirements.
- Review and approve the statement on internal control and management of risk prior to endorsement by Council.
- Consider the Society's strategic risk register at each meeting and make recommendations to Council regarding the Society's risk framework and risk management activity.
- Review the adequacy of governance arrangements.
- Consider the risks and benefits within any significant contracts being considered by the Society and provide reports to Council 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 Council.

2.3 Evaluation

- Review and advise on the Society's methods for evaluating its activities.
- Monitor the adequacy of resources required for the Society's impact evaluation work.
- Review and recommend an impact and evaluation plan, including risk/priority assessments.
- Report to Council impact and evaluation methods used and demonstrate how these help the Society to deliver on its strategic objectives.

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 Council.
- 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 in person, 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 Council.

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 Council representatives; this may reshuffle among the Elected Members of Council each year. At least one member of the Committee shall have some financial experience.
- A representative from the Early Career Microbiologists' Forum Executive Committee, who serves for two years.

- Up to four 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 Treasurer, the Chief Executive, the Chief Operations Officer, the Chief Programmes officer and Director of Strategy. 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 and four 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 Council 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 Council) and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.