

Terms of Reference

Audit Committee

1. Duties

The Audit Committee is to maintain, as far as possible, independence from the Council of Trustees, Executive Management Committee and Portland Press Limited Board of Directors.

The Audit Committee's remit will include:

- Oversight of strategic processes for risk, financial control and governance
- An annual review of the Group Risk Register focusing on the highest risk areas and advising the Committees/Boards as detailed below on any current risk exposures, changes to risk scores and the adequacy of proposed actions/mitigations
- Oversight of the adequacy of internal monitoring of financial controls, financial and accounting policies, the external audit report and management responses to issues identified by audit activity, including external auditor's management letter and the Society's response. This process will be informed by meetings with the external auditors both at the pre-audit planning stage and the post-audit reporting stage
- Meeting with the external auditor at least once per year without the Executive present, to discuss their remit, the effectiveness of their function, issues arising from the audit and progress with recommendations
- Ensuring compliance with statutory requirements for financial matters and corporate governance
- Proposal to the Council of Trustees and the Members of the Biochemical Society of the appointment, remuneration agreement and terms of engagement of the external auditor
- Oversight of the independence, objectivity and effectiveness of the external auditors following the annual review of the audit process
- Oversight of the adequacy of arrangements for employees of the Society to raise concerns, in confidence, about possible wrongdoing in financial or other affairs
- Oversight of information governance, including GDPR and the effectiveness of the information governance framework
- An annual review of the Trustees Register of Interests, the Gifts and Hospitality Register and the Business Continuity Plan
- Reviewing the statutory annual report and financial statements prior to their submission to Council for approval
- Oversight of reporting to the Charity Commission including serious incidents, data breaches to ICO, the adequacy of insurance arrangements and any new claims, significant financial losses, large donations, new or intended litigation

2. Membership

i. Number of Members

The Committee will have up to five (5) voting members, including the Chair.

The Honorary Treasurer will attend the meeting but will not be a voting member.

ii. Composition

The Committee will be composed as below:

- A member recruited from within/outside of the Biochemical Society with recent and relevant financial, audit, governance and risk management experience. Where possible, this member will serve as Chair of the Audit Committee
- Three current Members of the Society, not otherwise appointed/elected to a Society Committee
- A further independent member to enhance the financial, audit, governance and risk management experience of the Committee may be appointed
- The Honorary Treasurer, where available, will attend the meeting and contribute to discussion, but will not be entitled to vote

The role of Chair of the Committee will serve a maximum term of 7 years, with an additional 1-year extension available should no suitable candidates be identified prior to the end of the original term.

Other voting members of the Committee will serve a maximum term of 5 years, with an additional 1-year extension available should no suitable candidates be identified prior to the end of the original term.

There will be a minimum 2-year gap between any successive terms of office.

v. Election of members

Three (3) Members of this committee will be elected from the Biochemical Society Membership, and two (2) from outside of the Society if the skills and other requirements defined for this committee are not adequately met.

Members will be elected/appointed in line with standard *Biochemical Society Election Procedures* as far as possible.

vi. Conduct

Members are required to adhere to the governance code of conduct.

3. Meetings

i. Frequency of meetings

The Audit Committee will meet a minimum of three (3) times per year, with additional business carried out electronically as far as possible. The Chairperson may convene additional meetings as they deem necessary. Attendance via telephone and/or video conferencing services is possible at the discretion of the Chair.

Members who are absent from two meetings in a row, may be asked by the Chair to reconsider their availability to serve on the Committee. Members who are absent from three meetings in a row, may be asked by the Chair to resign their position.

Meetings of the Committee will be attended by members of Biochemical Society staff as appropriate.

ii. Quorum

A quorum shall be two (2) members always to include at least one (1) Biochemical Society member.

iii. Agenda and papers

An agenda, along with documentation/information/reports supporting the items under discussion will be circulated to members of the Committee, by email, a minimum of seven (7) calendar days before a meeting.

In the absence of return communication outlining errors in the delivery of email, the agenda and papers will be considered received by all parties unless otherwise notified.

It is essential that all papers are read and considered in advance of the meeting.

iv. Minutes

Formal minutes recording the proceedings of these meetings will be taken and distributed to the Chair for review within seven (7) days of the meeting taking place.

Final minutes will be circulated to all Committee members, and others in attendance, as close to three (3) calendar weeks after the meeting takes place as is practicable. These minutes will also be circulated to the next meetings of the Executive Management Committee, the Portland Press Ltd Board of Directors and the Council of Trustees.

v. Decision Making

Where possible a general consensus identified by the Chair of the Committee will be sufficient to consider a matter passed, rejected or deferred.

Where consensus is not possible, all decisions will be made by a vote, with each Committee member holding one (1) vote. Where an equity of votes occurs, the Chair may cast an additional vote to finalise the decision or may defer the decision for later action.

4. Reporting

i. Finance Committee

The Committee is required to report to the Finance Committee twice a year, in particular on matters regarding accounting standards compliance; statutory reporting; fraud and financial impropriety and risk.

ii. Executive Management Committee

The Committee is required to report to the Executive Management Committee twice a year, in particular on matters regarding accounting standards compliance; statutory reporting; fraud and financial impropriety and risk.

iii. Portland Press Ltd Board of Directors

The Committee is required to report to the Board of Directors of Portland Press Ltd twice a year, in particular on matters regarding accounting standards compliance; statutory reporting; fraud and financial impropriety and risk.

iv. Council of Trustees

This Committee is required to report to the Council of Trustees, both through its Chair and related Senior Staff, on matters relating to statutory annual reporting, risk, and skills requirements on Council of Trustees, Executive Management Committee and Portland Press Ltd Board.

v. Annual General Meeting

The Chair of this Committee is to attend the Annual General Meeting held in June/July of each year to represent this Committee. If this is not possible, a further member of the committee may be nominated to attend in their stead.

5. Other

- 5.1 The Committee will review its effectiveness, including how it is performing against its terms of reference, on an annual basis and report the results to Council.
- 5.2 The Committee will review its terms of reference and recommend any changes it considers necessary to Council at least every three years.
- 5.3 The Committee is authorised by Council to see such information as it may reasonably require from any employee or member of Council to fulfil its remit.
- 5.4 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required and shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

6. Ownership of Terms of Reference

These Terms of Reference are owned by the Council of Trustees and the Membership. Adjustment to the final agreed document must be made in consultation with the Biochemical Society Members at a General Meeting.

Last updated: February 2022