
RTPI Audit Committee Terms of Reference (as amended by the Trustees in their meeting on 2nd December 2020)

References:

The Charity Commission – The Charity Governance Code

The Charity Commission – Audit and Risk Committee Terms of Reference

Duties and Responsibilities of the Audit Committee

The Audit Committee (AC) role is to support the Board of Trustees (BOT) and the officers of the institute in monitoring the adequacy of the institute's corporate governance and control systems by:

- offering objective advice on issues concerning the control and governance of the institute and associated assurances provided by internal and external audit and other processes
- constructively challenging, where and when appropriate, executive decisions to ensure that these are the best possible and achieve value for money in the light of the available evidence

The AC will review and advise the BOT and the institute's officers on the following matters:

- the annual report, accounts and governance statement
- the adequacy of the institute's assurance processes and how governance arrangements support achievement of strategy and objectives
- up-holding standards of propriety in the institute's business
- achievement of value for money
- the plans for internal and external audit, including assessing priorities and promotion of understanding of the role of audit within the organisation
- the results of internal and external audit work, including individual audits, progress, remedial actions and annual reports, and management letters
- the adequacy of management responses to issues raised by internal and external audit; and implementation of internal audit recommendations and timescales
- the processes for assessing, reporting, mitigating and owning business risks and their financial implications, including the capability of the institute's internal reporting system to provide early warning of control failures and emerging risks
- the adequacy of the institute's assurance arrangements relating to the management of risk and corporate governance
- the adequacy of systems of quality assurance for the institute's core activities
- the institute's policies for counter-fraud, whistle-blowing and cyber and information security
- the performance of internal and external audit services

Specific considerations for the AC in respect of the institute's annual report and accounts:

- that the accounting policies in place are appropriate and comply with relevant requirements, particularly the Charity Accounting Standards Statement of Recommended Practice (SORP)
- that there has been a robust process in preparing the accounts and annual report
- whether the accounts and annual report have been subjected to sufficient review by management and by officers before they are reviewed and approved by the BOT

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- that when new or novel accounting treatments arise, whether appropriate advice on accounting treatment has been taken
 - whether there is an appropriate anti-fraud policy in place, and whether losses are suitably recorded
 - whether suitable processes are in place to ensure accurate financial records are kept
 - whether suitable processes are in place to ensure regularity and propriety is achieved
 - whether issues raised by the external auditors have been given appropriate attention

The AC should satisfy itself that the annual financial statements represent fairly the financial position of the institute. Before the Letter of Representation is signed the AC should review it and give particular attention to non-standard issues of representation.

The AC will agree the auditors' fee prior to it being approved by the BOT.

Constitution of the Audit Committee

The AC will have no fewer than four members appointed by the BOT and shall include:

- One member of the General Assembly – to be recruited from those with recent and relevant skills and experience who have indicated a desire to serve on this committee.
- One member of the BOT
- Up to two independent members appointed for their financial or corporate experience and expertise

Appointments to the Committee shall be for a term of three years renewable once at the discretion of the Board.

The Chair of the Committee shall be appointed by the BOT on the recommendation of the BOT Chair in consultation with the Chief Executive.

All appointments shall be made with due regard to the need to understand the institute's objectives, structure and culture, and other legislative and accountability contexts within which it operates. AC members will collectively possess knowledge and skills in accounting, risk management, audit, financial governance and technical issues relevant to the business and strategic management of the organisation.

The AC shall be entitled to co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience, with approval of the BOT.

Conduct of Audit Committee Meetings

The Head of Governance will act as secretary to the AC with responsibility for co-ordinating its business and servicing its meetings.

The quorum necessary for the transaction of business shall be three members.

The AC will meet at least three times a year at appropriate times in the reporting and audit cycle, co-ordinated in advance of the BOT so that it may receive the AC's report and recommendations.

AC meetings will normally be attended by:

- the Chief Executive
- the Director of Finance
- the Director of Corporate Services
- a Governance officer

Members of the AC may ask any other officers of the organisation to attend to assist it with its discussions on any particular matter.

All meetings will be chaired by the Chair of the AC. In the absence of the Chair the remaining members present shall elect one of their number to chair the meeting.

The AC may ask any or all of those who normally attend but who are not members to withdraw from the discussion of particular matters to facilitate open and frank discussion.

The AC Chair will formally report to the BOT after each meeting. This will be done by submitting a copy of the draft minutes with the Chair highlighting any significant matters which the AC considers relevant to draw to the BOT's attention. The Chair of AC may be required to provide a short report to General Assembly members as part of the reporting on the business of the BOT's.