



## **Finance and Audit Committee**

The Finance & Audit Committee is a Corporate Governance Committee which reports directly to the Board.

The Committee monitors the integrity of the company's financial statements, oversees its relationship with the external auditors and monitors the effectiveness of the internal audit function. The Committee also receives the audited accounts and makes a recommendation to the Board on their acceptance.

### **Membership**

The Committee consists of six members, including:

- Chairman appointed from and by the Board
- Five members appointed by the Board from the wider Institute membership

### **Term of office**

Members are appointed for a term of 2 years and are eligible for re-appointment for a further 2 terms up to a maximum of 6 years' service.

### **Skill sets**

Members of the Committee consist of managers selected for their experience of finance and accountancy as well as those with an understanding of the wider workplace.

### **Terms of Reference**

The Committee has the following Terms of Reference:

1. Be responsible, on behalf of the Board, for monitoring the probity of the Institute and its operations, including the propriety of its systems.
2. Consider all management letters submitted by the Auditors of the Institute and initiate investigations where necessary, making recommendations to the Chief Executive in the first instance, reporting to the Board as necessary.
3. Consider the annual financial statements, ensuring compliance with regulatory and accounting standards.
4. Recommend to the Board the appointment and remuneration of the Institute's external Auditors and to review their performance.

5. Recommend to the Board the appointment and remuneration of the Institute's internal auditors and to review their performance.
6. Review the Institute's risk management register at regular intervals, making recommendations to the Board as appropriate.
7. Conduct investigations, as considered necessary, into the management controls of the Institute and to make recommendations to the Chief Executive in the first instance, reporting to the Board as necessary.
8. Ensure that there are no conflicts of interest between the governance of the trading subsidiary and of the Institute as a whole.