

WEA Audit & Risk Committee – Terms of Reference

Last reviewed: 14 March 2023

Date of approval by Board of Trustees: 23 March 2023

Purpose of the Committee

In line with the mission, vision and values of the Association, the Audit & Risk Committee shall provide assurances to Trustees that WEA has appropriate financial, governance and management structures in place to support the proper stewardship and application of public and voluntary funds, and of WEA's compliance with its obligations as a provider of adult and further education, as a UK registered company, as a public sector education provider, and as a charity registered in England and Scotland.

The Audit & Risk Committee is a standing committee of the Board of Trustees and required as a condition of public funding.

Membership

The membership of the Audit & Risk Committee will be as follows:

- 3 Trustees appointed by the Board of Trustees (excluding the Chair of Trustees), one of whom shall be Chair;
- 3 Association Members to be nominated by WEA Council; and
- Up to 3 externally co-opted members to be appointed based on relevant skill, experience or expertise, and in consideration of WEA's commitment to diversity.

At least one member of the Committee should have recent, relevant financial experience and qualification.

The Finance Director shall act as the nominated lead from the Leadership Team and will normally be in attendance at meetings. The Chief Executive/General Secretary and other members of WEA's Leadership Team may be invited to attend meetings of the Committee from time to time, as appropriate. The internal auditor and/or external auditor may also be invited to attend meetings of the Committee from time to time, as appropriate.

Secretariat shall be provided by the Head of Corporate Governance & Company Secretary or their nominated representative.

Quorum

A quorum shall be three members of the Audit & Risk Committee, including at least two Trustees.

Meetings

The Audit & Risk Committee will meet on a minimum of a quarterly basis, though will consider the necessity of meeting more often when required. These meetings will be coordinated with the Trustee and Committee calendar so that the Committee's work can dovetail with that of the other Trustee Committees and the Board of Trustees.

Reporting

The Board of Trustees will receive minutes of Audit & Risk Committee meetings and will be notified of any key issues through summary update reports to be delivered by the Chair of the Audit & Risk Committee at meetings of the Board of Trustees from time to time. An annual report on risk shall be made to the Board of Trustees in July (to accompany the Business Plan and Budget), accompanied by the full corporate risk register for review and approval. The Committee shall also deliver a written report annually to the Board of Trustees in December (to accompany the Annual Report & Accounts) covering the period of the previous financial year and to assure the Board of Trustees that the Committee continues to fulfil its delegated remit.

Powers

The Audit and Risk Committee has the power to:

- investigate any activity within its terms of reference;
- obtain legal or other independent professional advice on any matter within its remit; and
- request that such advisors attend meetings as necessary.

The Committee shall also have unrestricted access to WEA personnel.

Responsibilities

Risk Management

1. To review the corporate risk register on a quarterly basis and the risk management policy annually.
2. To inform Trustees of any major and/or emerging risks.
3. To promote a positive risk culture across the Association, including to seek out and learn from examples of best practice.
4. To ensure that appropriate due diligence is undertaken on major contracts, mergers, acquisitions, disposals, capital development or investments, and that permissions are sought and secured from Charity Commission, OSCR, and/or DfE where required.

Internal Control, Internal and External Audit

5. To review the effectiveness of WEA's financial and other internal control systems.
6. To advise the Board of Trustees on the appointment or removal of external auditors and their remuneration.
7. To agree the nature and scope of internal and external audits in consultation with those auditors.
8. To consider, in consultation with the external auditors, any statements to be annexed to the audited financial statements (including the auditor's report) and/or any statement provided by Trustees on the governance of WEA.
9. To consider any reports submitted by the internal or external auditors and monitor the implementation of any recommendations;
10. To monitor annually the performance and effectiveness of the internal and external auditors;
11. To meet at least annually with the external auditors and separately with the internal auditors in the absence of any staff.

Annual Report and Accounts

12. To oversee the preparation of the Annual Report & Financial Statements.
13. To satisfy itself that the financial statements have been properly prepared, applying appropriate accounting standards, estimates and judgements.
14. To review the external auditor's management letter and management response.

15. To present and recommend to the Board of Trustees the adoption and signing of the Annual Report & Financial Statements.

Governance & Regulation

16. To satisfy itself that WEA's policies, procedures and business practices comply with all relevant laws, regulations, and best practice.
17. To oversee WEA's policies on fraud and irregularity, and to ensure that the Committee and the Board of Trustees are kept informed of any action taken under those policies.
18. To ensure that the appropriate authorities and regulators are informed of any serious incidents, wrongdoing, or material losses.
19. To undertake any specific reviews or investigations as may be requested by the Board of Trustees from time to time.

Other

20. To support individual members of the Committee in identifying and pursuing opportunities for training and personal development.
21. To consider the ongoing need for the Committee to regularly refresh its skills, seeking out appropriate opportunities for training and development.
22. To consider the recruitment needs of the Committee, advising Trustees and Council accordingly.