STANDING ORDERS

AUDIT COMMITTEE
1. Membership and Appointments

1.1 The Audit Committee comprises of not less than four members including a Chair. The current composition is attached at Appendix 1.

1.2 The tenure of office shall be governed by ICAS rotation policy.

1.3 For the purpose of enabling the proceedings of the Audit Committee to be conducted in the absence of the Chair, the Chair shall be nominated by the majority of members present.

1.4 A member may, by giving notice in writing to the Audit Committee, resign his office.

2. Frequency of Meetings

2.1 The Audit Committee shall meet for the dispatch of business as often as may be requisite during each calendar year, and may adjourn meetings as it thinks fit, in accordance with Section 4.1.2. It shall, however, meet no less than 3 times each calendar year.

3. Notice of Meetings

3.1 In consultation with the Chair, the Secretary shall prepare a calendar year of meetings in advance. These shall be published in the papers of the Committee for consideration no later than November of the previous year.

3.2 Once approved, confirmation of these dates shall be issued to all members.

4. Quorum

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

4.1.1 If a quorum is not available for the discussion and / or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting.

4.1.2 If a quorum is not present, the Chair may adjourn the meeting to another time.

4.2 Questions arising at any time shall be decided by majority of votes and, in the case of an equality of votes, the Chair shall have a casting as well as a deliberative vote.

4.2.1 In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.

5. Special Circumstances / Emergency Powers

5.1 This section provides the powers to deal with matters of urgency which require a decision that would normally be taken by the full Committee.

5.2 Should a matter require approval prior to the next scheduled meeting, the Chair shall determine

5.2.1 whether it is a matter of urgency by reason of special circumstances; and

5.2.2 whether the matter falls within section 5.1 of these standing orders.
5.3 If the matter is deemed to require a decision in terms of this Section, the matter may be approved by the Chair and no less than two members of the Committee. The matter may be so determined by correspondence (electronic or otherwise), conference call, or by calling an extraordinary meeting pursuant to Section 6.

5.4 The Chair shall ensure that all decisions so taken shall be reported and homologated at the next full meeting of the Committee. Where possible, however, the full Committee shall be informed of the matter at the earliest opportunity.

5.5 Should the matter not fall within these Standing Orders pursuant to section 5.2.2, the matter shall be referred to the Executive Team, the Oversight Board, Council or any other Board or Committee whatsoever for decision in accordance with the further provisions set out in this Scheme of Delegation.

6. Extraordinary Meetings

6.1 An extraordinary meeting of the Committee can be summoned on the request of either the Chair or by three members of the Committee, or by the External or Internal Auditors should they consider it necessary. The members required to attend this meeting are those detailed in section 5.3.

   6.1.1 A request to attend an extraordinary meeting of the Committee shall, except in the case of urgency, be made not less than five clear working days before the meeting and shall briefly specify the business to be brought forward at the meeting.

6.2 Where possible, meetings shall convene at a time and venue suitable to those members who can attend.

6.3 All powers and duties set out in this document shall be applicable equally to an extraordinary meeting.

7. Conduct of Business

7.1 Declaring Interests at Meetings

   Members must declare any interest in any matter of the proceedings either at the beginning of the meeting, or as soon as it becomes apparent to them.

7.2 Proceedings to be Confidential

   A member of the Committee who had access to the confidential material shall not disclose this to the press, public or other members, until ICAS has itself made the information public or until the embargo has been lifted.

7.3 Private Meetings with Auditors

   The Audit Committee may meet privately, without the Executive, with the Internal or External Auditors during any meeting of the Audit Committee and will hold such a private meeting at least annually.

7.4 Committee Authority

   The Committee is authorised to investigate any activity within its terms of reference, seek any information it requires from any employee of the Institute and obtain legal or independent advice, at the Institute’s expense, if it considers this necessary.
8. **Failure to Attend Meetings**

8.1 Should a member fail to attend three consecutive Committee meetings, without leave of absence, the Council on the advice of the Committee may take such action as it considers appropriate, including removal of the absentee member.

9. **Agenda and Papers**

9.1 The agenda for each meeting shall be approved by the Chair prior to issue.

9.2 Following approval of the agenda by the Chair, no amendment may be made without his or her prior approval, unless the secretary has been specifically authorised to do so.

9.3 The agenda and papers shall be sent to all members of the Committee, the Internal and External Auditors and circulated to Secretariat members within the organisation.

10. **Minutes**

10.1 All business transacted and decisions of the meeting shall be recorded in minutes. The names of the members present at the meeting shall be recorded in the minutes. It shall be a matter for the Committee as to whether action points are highlighted in the minutes or an action grid.

10.2 Draft minutes shall be prepared and presented to the Chair within ten working days of the meeting having taken place. The draft action grid where appropriate should be available to the Chair within five working days of the meeting.

10.3 The approved minutes and actions shall be published and included in the papers for the next scheduled meeting.

10.4 Following approval of the minutes and actions, no amendments may be made without the prior approval of the Chair.

10.5 The minutes shall be submitted for agreement at the next meeting, where they will be signed by the person presiding. This shall be sufficient evidence without any further proof of the facts or matters stated.

10.5.1 At this time, no discussion shall take place on the minutes (except as to their accuracy) unless the Chair otherwise decides. Any amendments to the minutes shall be agreed. Amendments shall be recorded at the next meeting.

11. **Approval and Amendment to the Standing Orders**

11.1 The Committee shall review these Standing Orders annually and shall approve any amendments.
Appendix 1

Composition as at 28 September 2018

Chair: Stephanie Bruce
Secretary: Suezi Page
Public Interest Member: Lin Homer
Members: Colin Crosby
Elizabeth Gammie
Mike Pacitti
Vacant
Appendix 2
Objectives of the Audit Committee

The remit of the Audit Committee is set out below.

• To monitor and review the independence, objectivity and effectiveness of the External Auditor, taking into consideration relevant UK professional and regulatory requirements;

• To make recommendations to Council (who will make recommendations to the Annual General Meeting) in relation to the appointment of the External Auditor;

• To approve the remuneration and terms of engagement of the External Auditor;

• To develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account ethical guidance regarding the provision of non-audit services by the External Auditor;

• To review with the External Auditor the planning and conduct of the annual Audit;

• To monitor the integrity of the Institute’s financial statements, reviewing significant financial reporting issues and judgements contained in them, review of disclosures and compliance with accounting standards. Review of the disclosure of significant issues considered by the Committee;

• To review the advice of the Scheme Actuary, taking advice from the ICAS pension advisers where required, on IAS19 assumptions and to approve the appropriate assumptions for the financial statements.

• To review the external auditor’s findings of their work, including any management letter;

• To review the Institute’s internal financial control system;

• To determine whether an Internal Audit service is required and to appoint the Internal Auditor;

• To review the Internal Audit Annual Needs Assessment, the Internal Audit programme and the overall effectiveness of the audit;

• To review reports received from Internal Audit and to monitor whether the Management Response and actions are satisfactory.

• To review the effectiveness of Internal and External Audit and the performance of the Auditors;

• To keep under review the Institute’s procedures for the identification, assessment and reporting of risks associated with achievement of the Institute’s objectives;

• To keep under review the Institute’s whistleblowing procedures;

• To review the statement of compliance with the Corporate Governance code in the Annual Report;

• To carry our self evaluation of the work of the Committee annually;

• To formally report in writing annually to Council on the work of the Committee and its findings.