

## Finance, Audit and Risk Committee

### Governing Board Committee

### Terms of Reference

Cochrane’s Articles of Association provide the Governing Board (Board) with the power to appoint Board Committees (Sub-Committees), and to delegate to these Committees authority to undertake its duties or functions as required. Non- members of the Governing Board may be invited to participate in accordance with the role and remit of the relevant Committee.

Committee	Finance, Audit & Risk Committee
<b>Purpose</b>	Financial governance, including external audit oversight, and risk management is a responsibility of the Board. The overall purpose of this Committee is to assist the Board in its duty to oversee the Charity’s financial affairs and risk management.
<b>Membership</b>	<ul style="list-style-type: none"> <li>• Karen Kelly (Treasurer and Committee Chair), appointed June 2020</li> <li>• Juan Franco, appointed September 2021</li> <li>• Vanessa Piechotta, appointed January 2022</li> <li>• Yuan Chi, appointed, appointed January 2023</li> </ul> <p><i>Non-voting:</i></p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• Director of Finance &amp; Corporate Services</li> </ul>
<b>Remit</b>	<p>The remit of the Finance, Audit &amp; Risk Committee covers three principal areas:</p> <p><b>1. Financial oversight:</b></p> <ul style="list-style-type: none"> <li>• Review the detailed draft of the annual Plan &amp; Budget, which includes scenario planning for future years, and make recommendations to the Board.</li> <li>• Regularly review performance against the Charity’s Plan and Budget.</li> <li>• Take delegated responsibility on behalf of the Board for overseeing all financial aspects of Charity operations, to ensure short and long-term viability.</li> <li>• Monitor and recommend changes, where appropriate, to the Board regarding the Reserves Policy.</li> <li>• Maintain oversight of any budget lines relating to Governance costs.</li> <li>• Agree and review any new or revised financial policies before presenting to the Board for final approval.</li> </ul> <p><b>2. Audit oversight:</b></p> <ul style="list-style-type: none"> <li>• Monitor and review the annual audit process.</li> <li>• Recommend to the Board appropriate actions following any management letter recommendations.</li> <li>• Review auditor performance and, as necessary, participate in the tender process and selection of auditors every five years.</li> <li>• Report to the Board.</li> </ul>

	<p><b>3. Risk oversight:</b></p> <ul style="list-style-type: none"> <li>• Monitor the effectiveness of Cochrane’s risk management procedures via the ongoing review of the system of internal control.</li> <li>• Provide regular assurance to the Board that appropriate risk management procedures are in place and recommend any changes to the Risk Policy as required</li> <li>• Report to the Board.</li> </ul>
<b>Quorum</b>	Quorum will be a minimum of two members.
<b>Meetings</b>	<ul style="list-style-type: none"> <li>• The Committee will typically meet quarterly and additionally as may be necessary. The Chief Executive Officer and Director of Finance &amp; Corporate Services are active non-voting participants in meetings and will normally attend all meetings.</li> <li>• Members will be expected to contribute to meetings to ensure the best decisions can be made, and to allow the Committee to fulfil its role and responsibilities.</li> <li>• Members will be expected to provide pertinent and professional challenges where appropriate, albeit demonstrating clear respect for colleagues and their views.</li> <li>• Members will be expected to maintain confidentiality in respect of all discussed issues where this is required.</li> <li>• All decisions will be voted on by a simple majority of those present. In the case of equality, the Committee Chair will have a casting vote.</li> </ul>
<b>Membership, Reporting and Assurance Arrangements</b>	<ul style="list-style-type: none"> <li>• All members of the Committee are appointed by the Board.</li> <li>• The Committee shall consist of not less than two Trustees appointed by the Board in addition to the Chair.</li> <li>• The Committee Chair will normally be the Treasurer of the Charity.</li> <li>• The Committee may recommend to the Governing Board (through the Nominating Committee) that a maximum of two members are appointed as co-optees. <ul style="list-style-type: none"> <li>○ A co-optee is appointed for one year and, with the approval of the Board, the term of office may be extended for no more than two further terms.</li> <li>○ The role is advisory to the Committee and the co-optee will have no voting rights, nor any legal or regulatory obligations as a trustee.</li> </ul> </li> <li>• Notwithstanding the above, the co-optee is expected to abide by the Trustees Code of Conduct and relevant Cochrane policies. The Committee, through its Chair, will provide routine written or verbal reports on its activities to the Board and will seek a steer on any matters that require the decision of the Board and/or their attention.</li> <li>• The Chair will conduct an informal review of the effectiveness of the Committee on an annual basis with the support of the Director of Finance &amp; Corporate Services and Head of Governance. This will include a review of the membership, and any proposed changes will be recommended, via the Governance Committee, to the Board.</li> <li>• An action log will be maintained that will identify individuals and appropriate timelines for specific tasks, progress against which will be actively monitored at subsequent meetings (covered by the Minutes).</li> </ul>
<b>Secretary</b>	<ul style="list-style-type: none"> <li>• The Director of Finance &amp; Corporate Services will ensure that secretariat services are provided to the Committee, including the taking of minutes, record of attendance and distribution of papers.</li> <li>• Approved minutes will be issued, normally within ten working days of the meeting, and will list the topics discussed, actions agreed, and all individuals responsible for undertaking these actions.</li> </ul>

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	<ul style="list-style-type: none"><li>• These minutes will be taken to the Committee for approval, and if requested, made available to the full Board.</li></ul>
<b>Review</b>	These Terms of Reference will be reviewed annually with any changes reviewed by the Governance and Nominations Committee and then approved by the Board.
<b>Last updated</b>	May 2023 by the Finance, Audit & Risk Committee
<b>Governing Board approved</b>	<b>March 2023</b>