



ROYAL COLLEGE OF  
PHYSICIANS AND  
SURGEONS OF GLASGOW

**ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW**

**CONSTITUTION AND TERMS OF REFERENCE**

**OF THE**

**AUDIT AND RISK COMMITTEE**

**(February 12<sup>th</sup> 2021)**



## 1. CONSTITUTION

The Council of the Royal College of Physicians and Surgeons of Glasgow (“College”) through the Dec 4<sup>th</sup> 2020 AGM approved a number of changes in College governance to reflect best practice in the modern day leadership of a charity. From Dec 4<sup>th</sup> 2020, the College Executive Board become the appointed Trustees of the College and as part of these changes, the Council resolved to adopt this constitution to regulate the function and define the responsibilities of the Audit and Risk Committee (“Committee”) of the College.

The Committee plays a critical advisory role to the College Executive Board in assessing and managing strategic and operational risks and audit of the College, and making recommendations on where remedial actions are required.

## 2. PURPOSE

The Committee’s purpose is to support the College Executive Board and the Chief Executive Officer by reviewing the comprehensiveness and reliability of assurances on the adequacy of the College’s risk management processes, internal control environment, governance arrangements, and the integrity of the College’s Annual Report and Financial Statements.

## 3. MEMBERSHIP

- 3.1. The members of the Committee shall be appointed by the College Executive Board.
- 3.2. The Chair of the Committee will be an appointed non-clinical Trustee with recent and relevant experience of one or more of statutory audit, internal audit, or organisational risk management.
- 3.3. The Chair of the Committee will also be appointed as a member of College’s Executive Board and Council for the duration of their term of appointment.
- 3.4. There shall be a minimum of seven members of the Committee which shall comprise the Chair, the Treasurer, two other Trustees from the College Executive Board, and one member of the College Council (non-Trustee). The Chief Executive (non-Trustee) and the Finance Director (non-Trustee) will also be Committee members and be required to attend all meetings.
- 3.5. Three members must be present to form a quorum who must include the Chair (Trustee) and at least two other Trustees.
- 3.6. To ensure the Committee has at all times sufficient relevant expertise, the committee shall have the authority to co-opt individuals with relevant statutory audit, internal audit and organisational risk management experience as required.
- 3.7. The Chair of the Finance and Investment Committee may be invited to attend the meeting of the Committee for financial risk matters and where the College’s external audit is also being considered.

## 4. DURATION OF APPOINTMENTS

- 4.1. The Chair shall serve for a maximum of two, three year terms.
- 4.2. All other Trustee members of the Committee shall serve up to the end of their term as Trustees.
- 4.3. The Chief Executive and the Finance Director will serve for the duration of their employment with the College.



4.4. Co-opted, non-trustee members shall serve for a maximum of two, three year terms.

## 5. MEETINGS

- 5.1. Meetings of the Committee shall be held as often as is considered necessary but shall in any event be held on not less than four occasions during each financial year of the College and more frequently as required.
- 5.2. Meetings shall be convened by the Chairman of the Committee or pursuant to a resolution of the College Executive Board
- 5.3. The Auditors of the College may request a meeting if they consider it necessary.
- 5.4. Meetings shall be held at such time and in such place as may be specified in the notice convening the meeting.
- 5.5. A member may participate in a meeting of the Committee by way of conference telephone and/or video.
- 5.6. Notices of all meetings of the Committee together with an agenda of the matters to be discussed and any relevant papers shall be served on all Committee members.
- 5.7. The Chief Executive Officer, Finance Director and the Treasurer of the College shall be required to attend all meetings of the Committee unless requested not to. Other Trustees, who are not designated members of the Committee, may be requested to attend in order that the Committee may fulfil its role. The Auditors shall normally attend at least one meeting of the Committee annually to sign off the College Annual Financial Statements and Audit Report.
- 5.8. On at least one occasion in each financial year the Committee shall, if thought, fit, conduct discussions with the Auditors without the College's management being present.
- 5.9. All minutes of the Committee shall be sent to the College Executive Board and Council for information and consideration.

## 6. TERMS OF REFERENCE

The main role and responsibilities of the Committee shall be to:

- 6.1. Consider key risks facing the College and the sufficiency of mitigations in place. Regularly review the College risk register.
- 6.2. Assess the effectiveness of the College's external audit process
- 6.3. Report to the College Executive Board on the integrity of the College's Annual Report and Financial Statements, including the appropriateness and consistency of the Accounting Policies applied
- 6.4. Review the College's internal control environment, internal audit processes and risk management systems
- 6.5. Make recommendations to the Executive Board in relation to the appointment of the Auditors and to approve the remuneration and terms of engagement of the Auditors
- 6.6. Monitor and review the Auditor's independence, objectivity and effectiveness
- 6.7. Develop and implement policy on the engagement of the Auditors to supply non-audit services;
- 6.8. Report and make recommendations to the College Executive Board where the Committee's activities reveal cause for concern or scope for improvement
- 6.9. Consider such other matters as the College Executive Board may direct.



## **7. REPORTING**

The Committee is accountable to the College Executive Board. The Chairman of the Committee will report to the College Executive Board on the proceedings of the Committee and on any recommendations the Committee wishes to make to the Council on strategic risks faced by the College.

## **8. AUTHORITY AND RESOURCES**

- 8.1. The Committee is duly authorised by the Executive Board to investigate any activity within its terms of reference. In this respect it is authorised to require any employee to attend meetings of the Committee and to collect any information which it may require from any employee of the College.
- 8.2. The Committee may seek external professional advice at the expense of the College if the Committee considers this to be necessary.
- 8.3. The Executive Board shall ensure that the Committee has sufficient resources available to it enable the Committee properly to perform its functions.

## **9. AMENDMENT**

This Constitution may only be amended pursuant to a resolution of the Executive Board.