

## **Terms of Reference for Audit & Risk Sub Committee**

The Audit and Risk Committee shall be formed from members of the Committee of Management, and shall consist of at least 3 members, whose membership will be reviewed each year by the Management Committee.

The Audit and Risk Committee shall recommend to the Committee of Management independent persons with suitable skills for appointment by them as the Society's Internal Auditor, with or without assistance from the Society's Auditor.

The Audit and Risk Committee shall meet as frequently as necessary, but at least 3 times per year. The Internal Auditor shall be contracted for as many days work as is commensurate with the inspection and reporting schedule as agreed by the Audit and Risk Committee shall report to the Committee of Management.

The Audit and Risk Committee with the assistance of the Internal Auditor will prepare and carry out

- a) A review of the adequacy of the Society's system of business control and accounting policies.
- b) The preparation and supervision of the Society's inspection programme.
- c) Receive reports from the Internal Auditor, and report to the Committee of Management on this together with any recommendations for improvements.
- d) Review the effectiveness of the Society's system of inspection including an assessment of the scope of work performed by the Internal Auditor, the nature and timing of inspection reports, and the adequacy of resources available to the inspection function.
- e) Review the adequacy of management information and other reports made available for the Committee of Management.
- f) Review the annual cash accounts, trial balance and other financial reports prepared by the executive in January each year prior to the statutory accounts being prepared by the actuary and auditors.
- g) Liaise with the Society's auditors, including discussion on the scope of any matters arising from the audit.
- h) To review and consider the management of the risks that the society faces.

To report to the Committee of Management on any matters that pertains to the Committee of Management signing of the annual report under Rule 3.1.

Frequency of meetings – three times per year

Quorum – 2