

ICU Audit Committee

A paper by the Trustee Board Chair and Court Chair

Background

Financial supervision is one of the major roles of the Trustee Board and comprise several of its responsibilities in the Trustee Board Regulation. However the Board would be significantly assisted by an Audit Committee, as indeed is recommended for any but the smallest of charitable organisations. The recent requirements for charity registration and the personal responsibility to which Trustees are soon going to have to sign up to only emphasises this necessity.

It is essential that in undertaking this task responsibly the Trustee Board can have the benefit of more careful consideration of the Union's accounts and other relevant information than is possible at meetings of the whole Trustee Board.

It is also important to emphasise that this is a Trustee Board sub-committee (formally known as a 'Trustees Committee') and reports directly to the Trustee Board. The relevant senior Union Officers and staff would be required to report to it and attend meetings when necessary.

The terms of reference have been modelled partly upon the Charity Commission's and Institute of Chartered Secretaries and Administrators' draft terms of reference for similar committees.

It is thus resolved:

1. The ICU Audit Committee is established as a Trustees Committee.
2. The Audit Committee shall undertake the following duties:
 - i. To monitor the integrity of the financial statements of the Union, including its Annual and other reports, interim management accounts, review significant financial reporting issues and judgments which they contain.
 - ii. To investigate any financial, administrative or personnel (whether paid staff or elected officers) matter which may put the Union at risk.
 - iii. To consider the appropriateness of executive action following internal audit reviews and to advise senior management and officers on any additional or alternative steps to be taken.
 - iv. To review and challenge where necessary:
 - a. All material information presented with the financial statements.
 - b. Clarity of disclosure in financial reports of any kind.
 - c. The consistency of and changes in any accounting policy.
 - d. Whether appropriate accounting standards, estimates and judgments have been made.
 - e. The methods used to account for significant or unusual transactions where different approaches are possible.

- v. To provide minutes of all audit committee meetings for review at meetings of the Trustee Board.
3. The Trustee Board authorises the Audit Committee to seek any information it requires from any staff member or officer in the Union in order to perform its duties and to call any staff member or officer in the Union to be questioned at a meeting of the committee as and when required.
4. The Audit Committee may adopt closed session meetings if it sees fit.
5. The Audit Committee shall be appointed by the Trustee Board Chair with the following provisos:
 - i. It shall contain 3 or 5 members, including one Lay Trustee and one Student Trustee.
 - ii. No Union Officer shall be a member.
 - iii. No member of the Union staff shall be a member (though this is prohibited in any event under section 5.2 of the constitution and regulation 1.43.2).
 - iv. The Trustee Board Chair shall appoint its chair and will decide whether it has 3 or 5 members.
 - v. The Secretary to the Trustee Board shall be the Secretary to the Audit Committee.
 - vi. The Union Honorary Senior Treasurer, if not a member, shall be a permanent observer.
6. The Deputy President (Finance and Services) and Finance Manager are ordinarily expected to attend and report to meetings of the Audit Committee unless its resolves to the contrary either in respect of the whole meeting or specific agenda items.