



Terms of Reference of the Risk Sub-Committee 2023-2028

Purpose of the Sub-Committee

The purpose of the Risk Sub-Committee is to assist the Trustee Board in its duty to:

- supervise the broad direction of the Charitable Incorporated Organisation (CIO) Foundation's financial affairs;
- ensure the financial position of the CIO is being supervised and managed;
- oversee the audit and risk management processes.

Functions of the Sub-Committee

The Sub-Committee has four main functions:

1. Financial planning, monitoring and reporting

- To review and recommend approval of the annual revenue budget to the Board
- To monitor on a regular basis reports of actual Income and Expenditure
- To monitor the cash position of the CIO
- To monitor the longer-term sustainability of the CIO
- To monitor the overall reserves position of the CIO
- To recommend investment strategies for approval by the Board

2. Financial governance and regulation

- To monitor and review the effective operation of financial procedures, including banking arrangements and, where appropriate, to make recommendations for improvement.
- To review, approve and monitor the application of the following policies:
 - Reserves policy
 - Expenses policy
 - Procurement policy
- To ensure an accurate and timely delivery of the annual statutory accounts, produced in accordance with the requirements of the Charity Commission
- To review fundraising activities and gain adequate assurance that fundraising is being conducted in a fair and legally compliant manner.

3. Internal controls and risk management

- To consider the CIO's risk profile, taking account of its legal obligations, its business objectives, and public expectations of what it should deliver.
- To review the adequacy and effectiveness of the CIO's internal control and risk management approach
- To ensure adequate business continuity plans are in place
- To ensure an appropriate Risk Register is in place and to review it on a regular basis
- To ensure proper and regular use of charitable funds, including
 - that no director, trustee, employee, or related party has benefited personally from the use of funds in non-appropriate circumstances
 - that there are measures in place to manage any conflicts of interest
- To provide the Board with opinion on the adequacy and effectiveness of audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources.

4. External audit

- To consider, and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the external auditor, including their terms of engagement and level of fees
- To review the performance of the external auditor and advise the board on any issues arising
- To meet with the external auditor at least once a year to discuss the auditor's remit and any issues arising from the audit
- To review the Audit Findings Report with the external auditor
- To review and sign the Letter of Representation
- To review the management response to the Audit Findings Report and monitor the subsequent implementation of agreed recommendations

Reporting to the Board

Minutes of meetings will be reported to the Board with recommendations for any items requiring Board approval.

Delegated powers

- The Committee can authorise changes in personnel named in the CIO's bank mandates. These do not require reporting to the Board.
- The Committee will review Loan and Investment options and make recommendations to the Board for approval.
- The Committee can authorise the opening of Savings Account and Credit Cards applications

Governance

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| Reports received | Prior Meeting Minutes & Action Tracker Management Accounts Annual Report and Financial Statements Audit Report Risk Register Compliance report – H&S & Safeguarding concerns |
| Reports to | Board |
| Status | Standing (permanent) Sub-Committee |
| Frequency and duration | Ad hoc |
| Minimum required attendance | 3 out of 4 meetings |
| Chair | Chair of Trustees |
| Vice chair | Vice-Chair of Trustees |
| Standing agenda items | Action Tracker Financial statement of income and expenditure Budgets and Grants Risk Register Annually – Reserve's Policy Annually – Appointment of Auditor Annually – Financial Procedures and Policies Annually – Financial Accounts and Audit Report Annually – Review of Terms of Reference |
| Minute-taker | Curator |
| Archive responsibility | Curator |
| Quorum | Chair plus 2 Trustees |
| Committee performance review | Annual review |

Name of governing body: Crafts Study Centre Trustees

Date on which this policy was approved by governing body: 17 October 2023

Policy review procedure: The Terms of Reference will be reviewed from time to time, at least once every five years.

Date at which this policy is due for review: October 2028