TERMS OF REFERENCE – AUDIT AND FINANCE COMMITTEE

Responsibilities and duties

The Audit and Finance Committee will:

- review and scrutinise the annual budget and longer-term financial planning, monitoring progress against agreed targets and objectives in line with the annual cycle, on behalf of, and prior to recommendation to, the Council of Trustees
- provide expert opinion and review on Society investments, pension schemes, capital projects and financing options, advising the Council of Trustees/PPL Board accordingly
- oversee the management of bank mandates for the Society and PPL
- oversee reporting to, and compliance with, external regulators, including the Charity Commission, Companies House and the Information Commissioner's Office
- oversee the adequacy of insurance arrangements for the Society and PPL
- review and scrutinise the organisational risk register, risk exposure and associated arrangements for risk mitigation, including business continuity planning
- oversee whistleblowing arrangements, with one independent member of the committee to be the initial contact for all whistleblowing enquiries
- propose the appointment, remuneration and terms of engagement for the external auditor to Council of Trustees and Society members
- oversee the adequacy of internal financial controls, financial and accounting policies, the external audit report and management responses to issues identified by audit activity
- oversee the independence, objectivity and effectiveness of the external auditors during each annual audit process
- review and scrutinise the statutory annual report and financial statements prior to their submission to Council for approval
- meet with the external auditor at least once per year, without any staff members present, to discuss any issues/recommendations arising from the audit process

Authority

The Audit and Finance Committee is established in accordance with Article 25 of the Society's Articles of Association (July 2025).

Outside of the management of whistleblowing complaints, which should be dealt with as specified within the Society's whistleblowing policy, the committee may recommend/request action/approvals/information to/from the Council of Trustees, PPL Board, staff and any other committee or panel within the governance framework but does not have authority to command such action as an independent body.

Membership

Composition and terms of office

The committee will be composed of the following:

- Honorary Treasurer (term of office as per Trustee term)
- Society Vice-President (term of office as per Trustee term)

- Chair of PPL Board (term of office as per Trustee term)
- up to five independent members, appointed from outside the Society membership, to provide expert financial/audit/risk/compliance advice (term of office three years with possibility to extend the term up to a further two years)

Committee composition should reflect the skills and experience required to perform the responsibilities and duties as detailed above. Following the completion of their term in office, members of this committee may not be reappointed for at least twelve months.

The CEO, Director of Finance and Governance and the Company Secretary will attend all meetings of the committee, with other staff members to be invited to attend meetings as required.

Chair of the committee

The Chair shall be the Honorary Treasurer.

Number of members

The committee will have a minimum of four members, to always include the Honorary Treasurer and at least one Independent Member. The membership of the committee should not exceed eight members.

Member absence

All member absences should be notified in advance of the meeting and suitable apologies noted. Members who are absent from more than two meetings in a row may be asked by the Chair to consider their ability to serve on the committee.

Member long-term leave

Members can be awarded long term leave for sickness, caring or maternity/paternity commitments at the discretion of the People, Remuneration and Nominations Committee. Such periods would pause any term of office until the member's return when, provided they continue to meet the requirements of their role, they would serve out the remainder of their original term. Should the role held be required for the effective functioning of the committee, a temporary 'interim' appointment can be made for its duration.

Additional engagement

Committee members are expected to proactively engage with communications sent outside of meetings, and with wider Society requests for input and information, for example with Society surveys and the promotion of initiatives and offerings.

Meetings

Frequency of meetings

The committee will meet a minimum of four times a year, in line with key audit and budgetary milestones. Additional business shall be carried out electronically as far as possible. The Chair may convene additional meetings as they deem necessary.

Quorum

A quorum shall be two members, to always include the Honorary Treasurer and one independent member.

Agenda and papers

An agenda and supporting papers will be circulated to members of the committee by email seven calendar days before a meeting. In the absence of return communication outlining errors in email delivery, the agenda and papers will be considered received by all parties unless otherwise notified. All papers should be read and considered in advance of the meeting. Where members require adjustments to access information, these will be met as far as is possible and following prior discussion with the secretariat for the committee (also for minutes as below).

Minutes

Formal minutes will be taken and distributed to the Chair for initial review as soon as practicable, (and within three weeks whenever possible). Final minutes will be circulated to all committee members as soon as is practicable.

Decision making

Where possible a general consensus identified by the Chair will be sufficient to consider a matter passed, rejected or deferred. Where consensus is not possible, all decisions will be made by a vote, with each committee member holding one vote. Where an equity of votes occurs, the Chair may cast an additional vote to finalise the decision or may defer the decision for later action.

Attendees outside of the committee membership

Members of Biochemical Society staff and representatives of other groups within the governance framework will attend meetings as appropriate, with attendees external to the Society invited in agreement with the Chair, as required for the committee to carry out its duties effectively.

Reporting

Financial matters

This committee will submit recommendations on financial matters including, but not limited to, annual budgets, membership fees, staff cost of living and bonus payments and the Society's reserves policy to the Council of Trustees, Portland Press Board and the People, Remuneration and Nominations Committee.

Risk

This committee will provide copies of the risk register and relevant risk commentary to the Council of Trustees and Portland Press Board four times a year, (in line with meetings held), with additional risk reviews and commentary provided as and when needed to all relevant stakeholders.

Annual audit

This committee will report to the Council of Trustees and Portland Press Board on the annual external audit process, to include a recommendation on adoption of the auditors reports together with the Trustees Annual Report and statutory accounts for both entities.

Other

The Honorary Treasurer should attend the Annual General Meeting each year to present the financial position of the Society to the membership. If this is not possible, a different member of the committee may be nominated to take their place.

Whistleblowing

The responsible independent member will be required to comply with the Society's Whistleblowing Policy, reporting to Council of Trustees, regulators and law enforcement bodies as and when required, based on the circumstances of any particular whistleblowing complaint.

Ownership and Review

These terms of reference are owned by the Council of Trustees who will review and approve any changes at least every three years, or sooner if required.

Date of last review: November 2025