

<b>Title</b>	<b>Finance Audit and Risk Sub-Committee (FARSC) Terms of Reference</b>
<b>Purpose</b>	<p>1. The FARSC is a Board Committee of both Amnesty International United Kingdom Section ('Section') and Amnesty International UK Section Charitable Trust ('Trust').</p> <p>2. The fundamental responsibilities of the FARSC are: to oversee financial reporting, to oversee the processes related to risk management and internal control including financial, reputational, compliance and other strategic and operational risks and controls, and to oversee the internal and external audit processes. The Committee advises, and reports to, the Boards of Section and Trust.</p>
<b>The Committee's powers</b>	<p>3. The FARSC is authorised by the Boards of Section and Trust to obtain independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, subject to approval by the relevant Board for expenditure thus incurred.</p>
<b>Key Responsibilities</b>	<p><b>Financial reporting</b></p> <p>4. To review and challenge as appropriate:</p> <ul style="list-style-type: none"> <li>• the actions and judgements of management in relation to the periodic financial statements prepared to monitor the financial performance of the Section and Trust.</li> <li>• the actions and judgements of management in relation to the published audited financial statements before submission to, and approval by, the Boards of Section and Trust and, in particular, to provide specific support to the Boards on disclosures in the financial statements concerning: <ul style="list-style-type: none"> <li>- risk management and related controls</li> <li>- the level of free reserves</li> <li>- other statements required to be made by the Boards in connection with their responsibilities for the preparation of the financial statements</li> </ul> </li> <li>• financial budgets and financial plans prepared by management, in the light of strategic plans agreed by the Boards.</li> </ul>
	<p><b>Internal control and risk management</b></p> <p>5. To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor risks, including financial, compliance, reputational and other risks</p>

	<p>6. To review management and internal and external audit reports dealing with the effectiveness of the risk management systems, internal controls and financial reporting.</p> <p>7. To review the procedures for preventing and detecting fraud, including the procedures for dealing with 'whistle-blowing'.</p>
	<p><b>Internal Audit</b></p> <p>8. To monitor and assess the effectiveness of the internal audit function.</p> <p>9. To review the internal audit programme and ensure the internal audit function is adequately resourced.</p> <p>10. To receive a report on the results of the internal audit work on a periodic basis.</p> <p>11. To meet with the head of internal audit at least once a year without the presence of management.</p> <p>12. To ensure that the head of the internal audit function has direct access as required to the Chairs of Section and Trust and is directly responsible to the FARSC.</p>
	<p><b>External Audit</b></p> <p>13. To oversee the relationship with the external auditor.</p> <p>14. To consider and make recommendations to the Boards on the appointment, reappointment or removal of the external auditor.</p> <p>15. To approve the terms of engagement including review of the remuneration of the external auditor in respect of audit and non-audit services.</p> <p>16. To assess the qualification, expertise, independence and effectiveness of the external auditors annually.</p> <p>17. To review with the external auditors the findings of their work including any major issues that arise during the course of the audit; recommendations regarding improvements to the system of internal control; key accounting and audit judgements; levels of error identified, obtaining explanations from management as to why certain errors might remain unadjusted.</p> <p>18. To meet with the external auditor at least once a year without the presence of management.</p>
<b>Membership</b>	<p>Membership of the FARSC comprises:</p> <p>The Treasurer (Chair) 2 Board members of Section of AIUK</p>

	<p>2 Board members of Trust Up to 6 co-opted members.</p> <p>In attendance:</p> <p>Director of AIUK Director of Corporate Services Director of Fundraising</p> <p>Head of Finance and Data Analysis</p> <p>Secretary to the FARSC (to be provided by the Director of Corporate Services)</p> <p>In addition to the above, and at the discretion of the Chair, other senior colleagues and external advisors may be invited to attend all, or part, of any meeting as and when appropriate.</p> <p>In the Chair's absence, the FARSC may be chaired by one of its other members who shall be a Board Director</p> <p>Appointed members of the FARSC shall be appointed for a period of three years, and be eligible for a further three-year period thereafter.</p>
<b>Quorum</b>	Quorum will be a minimum of 4 members to include 2 Board Directors.
<b>Board Reporting</b>	The FARSC, through its Chair, will provide appropriate written reports to the Boards on its activities and issues arising. In particular, the FARSC will provide an annual report to the Boards regarding the effectiveness of risk management, system of internal control and internal audit findings.
<b>Review</b>	These Terms of Reference and the effectiveness of the FARSC will be reviewed annually. Any changes that are considered necessary will be recommended to the Boards for approval.