

### Governance and membership

The Committee, working with the finance team and external auditor, ensured that the financial statements were audited and presented to the members on time at the Annual General Meeting 27 June 2024.

The Committee minute is reported to the Society's Board and Council. The Committee Convener also formally reports on the Committee's work at the annual general meeting of the Society.

### Responsibilities

The work of the Committee is to review and report on the effectiveness of the Society's arrangements for audit, internal control and risk management. The Committee oversees the appointment of and monitors the work carried out by the Society's internal and external auditors. Informed by its consideration of the work of the auditors, the Committee comments and makes recommendations on the appropriateness, practical application and effectiveness of the Society's financial policies and procedures, management controls and its arrangements to identify and manage risk.

The Committee reviews the following at each of its meetings:

- progress by the Society against its annual plan objectives especially in relation to their financial impact on the Society; and
- the Society's risk register with emphasis on changes in the risk profile and actions taken to mitigate key strategic risks

Through that regular review the Committee will question the actions and judgements of the Society's senior leadership team, the Board and the office bearers in relation to the Society's financial stewardship, safeguarding of the Society's assets and the extent to which the Society achieves best value in the acquisition and use of resources. The Committee oversees the Society's relations with the external auditor. To this end it receives and comments on the Society's annual financial statements prior to their approval by Council and receives the report from the external auditor in forming their opinion on the financial statements.

The Committee also commissions and oversees the delivery of an agreed programme of work from its appointed internal auditors. It will also follow up to ensure that recommendations contained in internal audit reports are implemented appropriately and within a reasonable timeframe.

The Committee will from time to time carry out reviews into or report on ad hoc matters as it may consider appropriate or as it is requested to do by Council or the



Society's office bearers in accordance with the Society's protocols on such matters.

### Overview

The Committee met on five occasions this year. Two of these meetings were with the finance sub-committee. These joint meetings ensured a joint approach to the review and approval of the financial statements for this year and the budget for 2023/24.

The overall work of the Committee should continue to be seen within the context of the Society's approach to good governance as the Committee plays a key role in holding the Society's office bearers, Council and senior leadership team to account for the management of risk and the effective operation of all risk management systems.

The Committee appointed Wylie and Bisset as the Society's internal auditors for a period of three years.

The Committee reviewed and approved the audit plan to be conducted by Wylie and Bisset. The Committee was satisfied with the audit plan for 2023/24 and the overall conclusions of the internal auditors on when considering the plan. The will continue to closely monitor progress against the plan and review of recommended actions.

A considerable proportion of the Committee's time was spent reviewing the principal risks of the Society. Risk reporting has been improved this year to ensure robust discussion of the principal risks. At the Committee's request a policy gap analysis tracker and a cyber security tracker have been implemented and now appear as a standing agenda items which allow the Committee to regularly monitor, review and discuss progress in these area's.