AUDIT AND RISK ASSURANCE COMMITTEE ROLE DESCRIPTION ORDINARY MEMBERS - (INCLUDING THE DEPUTY CHAIR)

1. INTRODUCTION

1.1 The Audit and Risk Assurance Committee (ARAC) support the Trustee Board (TB) by providing independent, objective oversight of the Institution's governance, risk management, internal control, assurance and audit arrangements. ARAC reviews the comprehensiveness, reliability and integrity of assurances across the Institution (including subsidiaries), ensuring that:

- Governance and internal control frameworks are effective and well-designed.
- Significant risks are identified, assessed, managed and monitored appropriately.
- Financial and non-financial information is accurate, transparent and complete, including
- the Annual Report and Accounts.
- Internal audit and external audit arrangements provide high-quality, independent
- assurance in line with applicable professional standards.
- Key areas of compliance, including fraud, whistleblowing, legal obligations and ethical
- standards, are monitored and supported by effective controls.

1.2 Assurance is the systematic process of evaluating and verifying that an organisation's management strategies are effective, aligned with objectives, and capable of mitigating potential risks.

2. RESPONSIBILITIES - DUTIES OF AUDIT & RISK ASSURANCE COMMITTEE MEMBERS

2.1 The Audit & Risk Assurance Committee's full responsibilities are set out in the ARAC Terms of Reference. A summary of ARAC's duty headings are listed below:

- Assurance over Governance, Risk Management and Internal control
- Risk Management and emerging risk oversight
- Internal Audit
- External Audit
- Financial and Non-Financial Reporting Integrity
- Counter fraud, whistleblowing and compliance
- Insurance, Health & Safety, Business Continuity and Other risk domains
- Assurance on major projects, transformation and organisational change
- Assurance reporting to the Trustee Board
- Committee effectiveness and Assurance culture
- Oversight of other Governance boards and Operational boards

2.2 The range of skills, knowledge and experience required by ARAC members is:

2.2.1 General

- Sound understanding across governance, risk management and internal control frameworks
- Awareness of audit processes and assurance mechanisms (internal and external)
- Understanding of regulatory and compliance obligations relevant to the organisation

- Experience in reviewing financial and non-financial performance information
- Clear understanding of the role of the Audit & Risk Assurance Committee in providing independent assurance to the organisation

2.2.2 **Desirable:**

- Professional qualifications relevant to audit, finance (an Accountant), risk, or governance

2.3 Prior experience to address committee skill gaps/areas that require further expertise so that it is not reliant on one person:

Enhanced Skills (aligned to gaps):

- Ability to evaluate property-related risks and investment decisions
- Ability to critically assess digital and cyber risk controls
- Strong financial analysis capability, including scrutiny of accounting treatments and assumptions
- Understanding of risk transfer mechanisms such as insurance and their effectiveness
- Ability to consider ESG risks and sustainability impacts within the wider risk framework
- Ability to consider Info security/data protection risks
- Fraud control

2.4 Candidates should preferably bring strong experience in at least one, and ideally more, of the following areas:

- Asset / Property Management
  - Experience overseeing property portfolios, asset lifecycle management, capital investment decisions, or property-related risk (e.g. maintenance, valuation, safety compliance)
- Digital & IT Risk
  - Understanding of cyber risk, IT controls, system resilience and digital transformation risks
  - Experience overseeing technology risk frameworks or information security assurance
- Information Security/Data protection
- Financial Management & Accounting
  - Strong financial literacy, including interpretation of financial statements, reserves, cash flow, and financial controls. Experience in budgeting, financial planning, or audit.
- Insurance
  - Knowledge of corporate insurance portfolios, risk transfer strategies, claims management, and adequacy of coverage.
- Environmental, Social & Governance (ESG)
  - Understanding of ESG risks, sustainability reporting, climate-related risks, and ethical governance practices.
- Fraud control

3. COMMITTEE MEMBER PERSON SPECIFICATION

3.1 A Committee member's role is to fully participate in the discharge of all Committee functions, as set out in its Terms of Reference, including attending meetings.

3.2 Members of the committee will ideally have a combination of the following skills and attributes:

a) Experience in one or more of the following areas: Audit, risk management, finance/accounting, governance, or compliance
b) Financially literate and numerate
c) The ability to think strategically and provide independent, objective challenge
d) Excellent communication and influencing skills
e) The ability to understand complex issues and the importance of accountability and probity in the charitable sector
f) Analytical - capable of working through conflicting information and viewpoints, competing priorities and of seeing a way forward
g) Well-informed:
    a. Aware of the challenges facing engineering and engineering organisations
    b. Familiar with business, accounting, audit, governance and/or institutional structures.
    c. Risk analysis and/or reviews and management of risk
    d. Some understanding of the international perspective
h) Maintain the highest level of integrity, accountability and honesty in the actions of the Committee, self-reporting conflicts of interest
i) Able to take a broad perspective of the Institution and beyond
j) Work well with others, particularly Audit & Risk Assurance colleagues and staff of the Institution
k) A commitment to best governance practices

3.3 ARAC members are required to commit to the following:

3.4 **Personal Attributes (Essential)**

- Commitment to contributing to the effectiveness of the committee
- Independence of thought, integrity, and objectivity
- High ethical standards and commitment to good governance
- Ability to maintain confidentiality and exercise discretion
- Collaborative but independent mindset
- Work within the Institution's Values, Behaviours and Code of Conduct
- Exercise independent judgement for the benefit of the Institution as a whole
- Challenge colleagues constructively and appropriately

3.5 **Deputy Chair – Additional requirements**

3.5.1 The Deputy Chair supports the ARAC Chair in leading the Committee and ensuring that the committee fulfils its function.

3.5.2 They will also:

- Chair meetings when required (in the absence of the ARAC Chair)
- Assist with risk deep dives
- Help drive forward effective committee performance
- Act as a key point of contact for the Committee.

3.5.3 Additional requirements for the ARAC Deputy Chair are:

- Corporate member (Fellow) of the Institution
- Experience of chairing meetings
- Previous governance, audit and board experience.

3.6 **Commitment & Availability (Essential for both roles)**

- Ability to attend and actively participate in committee meetings
- Commitment to thorough preparation and review of papers
- Availability for additional meetings, deep dives, or training where required
- Willingness to develop knowledge in key gap areas
- Research thoroughly and compile written material when required

4. TERM OF OFFICE AND OBLIGATIONS

4.1 Ordinary Members will have a term of up to three years, which could be extended to a second term of up to three years.

4.2 The Committee will meet at least five times per year. Meetings will be face-to-face, virtual or hybrid, with at least one being face-to-face. Committee members are required to attend at least four out of five meetings per year.

4.3 Additional meetings, including virtual sessions, could also be arranged if required at busy times or to sign off the Annual Report and Accounts. Appropriate notice will be given.

4.4 Candidates must have sufficient availability of time to devote to the responsibilities outlined in the role description above. Our current estimate is that this will amount to six to ten days of volunteer time per year as a minimum.

4.5 ARAC members will undertake inductions, training and refreshers as required to maintain the skills and knowledge criteria for their roles and the broader capabilities and effectiveness of the committee.