Audit and Risk Committee
Terms of Reference

WOODLAND TRUST

1. Purposes of the Committee

1.1. Governance relating to audit and risk is a responsibility of the Board of Trustees ("the Board"). The overall purpose of this Committee is to assist the Board in its duty to ensure the adequacy of risk management, internal control and audit arrangements.

1.2. The Committee has the right to meet privately without management present with the external and internal auditors

2. Responsibilities

2.1. External Audit

- 2.1.1. Recommend to the Board the annual appointment of external auditor.
- 2.1.2. Approve the annual audit plan and audit fee.
- 2.1.3. Review tenure of the external auditor and manage retender process as appropriate.
- 2.1.4. Receive the Audit Findings Report from the external audit from the auditor; review recommendations for improvements in controls and other audit observations in the Audit Findings report including compliance with Charities SORP, significant accounting judgements and accounting policies.
- 2.1.5. Review draft annual report and accounts before submission to the Board.
- 2.1.6. Assess auditor independence annually.
- 2.1.7. Annual review of non-audit services provided by the external auditor
- 2.1.8. Hold at least one closed session each year with the auditor without management present.

2.2. Risk Management.

- 2.2.1. Review the process for identifying major risks on an annual basis.
- 2.2.2. Review and challenge the risk register (major risks) and any changes to it at each meeting.
- 2.2.3. Review actions to mitigate major risks including an annual review of insurance arrangements
- 2.2.4. Review risk section in the annual report.

2.3. Internal Audit

- 2.3.1. Approve the annual internal audit plan.
- 2.3.2. Review the summary internal audit reports (access to full reports to be provided to all trustees)
- 2.3.3. Receive reports relating to any instances of control failures or breaches including IT security breaches and financial fraud
- 2.3.4. Review progress against actions agreed on internal audit reports with particular focus on high and medium items. Review aging of outstanding actions with the right to request attendance

at the audit committee by the responsible manager for any high/medium risk problem areas which are overdue.

2.4. Other

2.4.1. Compliance with statutory and regulatory requirements.

2.4.2. Annual review of the Terms of Reference for the Committee.

3. Operation of the Audit and Risk Committee

3.1. The Committee will consist of at least three trustees nominated from the Board.

3.2. The Chair of the Board will recommend to the Board the person to be appointed as Chair of the Committee after consulting with the Chair of the Governance and Nominations Committee and the CEO.

3.3. The Chair of the Board will recommend to the Board the members of the Committee after consulting with the Chair of the Audit and Risk Committee and the CEO.

3.4. The Committee will arrange up to four meeting dates each year. Other meetings may be arranged should the trustees consider it necessary.

3.5. The quorum for the Committee will be two trustees, one of whom will be the Chair, including those participating by teleconference.

3.6. The Chair of the Board will be a full member of the Committee.

3.7. The Chief Executive and CFO will have the right to attend meetings. Other trustees and employees may be invited to attend meetings.

3.8. The Chief Finance Officer (CFO) will be the primary contact for the Committee. The CEO and CFO will be expected to attend Committee meetings and will provide information to the Committee on key audit and risk related developments in an agreed format and additionally in response to specific requests for information.

3.9. The Company Secretary is responsible for providing secretarial servicing for the Committee.

4. Reporting to the Board

4.1. Agendas, papers and minutes of meetings will be circulated to all trustees. The Chair of the Committee, or another trustee member, will report to the Board on its meetings.

5. Delegated powers

5.1. Approve the audit fee.

5.2. Approve the nature and scope of the audit.