

RISK COMMITTEE: TERMS OF REFERENCE

Role and Responsibilities

1. The Risk Committee is a sub-committee of the Board of the British Council. To support the Board in its overall responsibility for the risks facing the organisation, the Committee analyses top and emerging risks (with the exception of those related to financial plans, performance and related management processes and reporting, which are reviewed by the Audit and Finance Committee), and reviews the effectiveness of related mitigating actions. The Committee holds the executive to account for identifying and managing its key risks in line with the risk appetite articulated by the Board.

The Audit and Finance Committee maintains the overview of the British Council's risk management and governance framework and process.

2. The Committee's responsibilities are:

2.1 Top and emerging risks

- To review the British Council's top risks (as identified by the executive) and the effectiveness of control strategies to manage them.
- To review emerging risks to the British Council and the effectiveness of control strategies to manage them.
- To provide advice to the Board on the effectiveness of risk management content throughout the Council

2.2 Risk mitigation

- To provide a healthy challenge to the executive on its approaches to managing specific risks, including alternative approaches seen elsewhere – but not in terms of process/governance, which is dealt with by the Audit & Finance Committee.

2.3 Risk appetite

- To review the risk appetite of the British Council and advise the Board on needed changes.
- To review the assessment of risk against the Board's risk appetite to ensure it is consistent and advising where it is not.

Authority

3. The Risk Committee relies on the executive to implement recommendations. Its role therefore is to challenge management in terms of whether its risk assessment is complete and fair. The Committee has the following access and function:
 - full access to all information and staff in the British Council. It may delegate this right to British Council staff
 - full access to any third party advisor it may request.
 - input on the performance of the Head of Risk Management
 - engagement in the recruitment of a new Head of Risk Management

- an advisory function, supporting the full Board which still maintains ultimate responsibility for the management of risk.

Reporting

4. The Chair of the Risk Committee [or in his/her absence another Trustee member of the Committee] shall report to the Board at the next Board meeting.
5. The Risk Committee shall formally report annually to the Board the work of the Committee to support the Board's statements regarding the British Council's assessment and management of risk contained within it.
6. The Risk Committee shall occasionally review its own effectiveness and report to the Board
7. The Chair of the Risk Committee has direct access to the Chair of the British Council for ad hoc reporting as required.

Constitution

8. The Chair of the Committee must be a Trustee of the British Council, as must at least one other member. The Committee may co-opt additional members to provide specialist skills, knowledge and experience subject to those appointments being approved by the Board of the British Council.
9. The quorum will be two members, at least one of whom must be a trustee. The Committee will meet regularly and normally three times a year. The Chair may call an additional Risk Committee at any time.
10. As Accounting Officer, the Chief Executive is responsible for the identification and mitigation of risks pertaining to the British Council. In order to properly execute his/her responsibilities he/she is expected to attend and participate in all Risk Committees.
11. The Secretary of the Risk Committee shall be the Secretary to the Board of Trustees or another member of British Council staff as agreed by the Secretary to the Board of Trustees and the Chair of the Risk Committee.
12. The Head of Risk Management, Chief Operating Officer and Director of the Global Network will also be expected to attend Risk Committee meetings.
13. The Risk Committee may invite other people to attend its meetings, including external representatives or other British Council staff.

Membership and Selection

14. All Risk Committee members shall be appointed by the Board of the British Council and shall be Trustees. Members will be independent of the management and free from any factor which might interfere with the exercise of independent judgement.
15. Risk Committee members shall be selected such that the Committee as a body has a broad range of skills and experience commensurate to its responsibilities.
16. Where possible, and without compromise to the balance of skills, the composition of the Risk Committee should be diverse.

Review of these terms of reference

The Risk Committee will review its terms of reference annually and will recommend any necessary changes to the Board.

Approved by the Board of Trustees of the British Council on:

7 July 2015