

Audit Committee Terms of Reference	
Date of approval	February 2026
Role	The Audit Committee is a committee of the Society's Board which assists the Board in fulfilling its oversight responsibilities in respect of matters relating to financial reporting; internal audit and external audit; systems of risk management and internal control; and the prevention of fraud.
Membership	The Committee shall comprise at least three members, all of which shall be independent Non-Executive Directors but excluding the Chair of the Society. At least one member of the Committee shall have recent and relevant financial experience. Members of the Committee are appointed by the Board, upon the recommendation of the Governance & Nominations Committee and in consultation with the Chair of the Audit Committee.
Chair	The Chair of the Committee shall be appointed by the Board. In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
Secretary	The Secretary of the meeting will be agreed between the Chair of the Meeting and the Society Secretary.
Attendees	Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of the meeting, as and when appropriate.
Frequency	The Committee shall meet no less than five times per annum. Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Society's governance, including the Chair of the Society, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and the External Audit Lead Partner.
Quorum	Three members, at least one of which should have recent and relevant financial experience..
Written Resolutions	Written resolutions may be used in accordance with the Society's Rules.
Meeting papers and minutes	<p>The Secretary of the Committee shall circulate the agenda and papers for each meeting of the Committee no less than five working days in advance of the relevant meeting.</p> <p>Minutes will record the proceedings, resolutions and decisions including recording the names of those present and in attendance and record any declarations of interest/conflicts of interest disclosed at meetings. The minutes of the meeting shall be approved at the next meeting.</p>
Mandate	The Committee is authorised to perform such other oversight functions relevant to its Role as the Board may request.
Reports to	This Committee reports to the Society's Board and to the Board of any Subsidiary in respect of which it is discharging the responsibilities of Audit Committee.
Sub Committees	None.

Responsibilities	Purpose	Matter	Frequency
1	PERFORMANCE AND RISK MANAGEMENT		
	Statutory Auditor		
1.1	Recommend	Make recommendations to the Board in respect of the appointment, re-appointment and removal of the Society's statutory auditor.	Annually
1.2	Oversight	Oversee a competitive process in respect of the appointment of the statutory audit partner at least once every 10 years.	At least every Ten years
1.3	Oversight and Approval	Oversee the relationship with the statutory auditor including the Approval of remuneration for the provision of audit and non-audit services.	Annually
1.4	Oversight	<p>Meet at least once a year without management being present, to discuss the auditor's remit and any issues arising from the audit.</p> <p>Discuss the factors that could affect audit quality and review and approve the audit plan, ensuring it is consistent with the scope of the audit engagement.</p> <p>Review the findings of the audit (including a discussion of any major issues which arose during the audit, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgements, the auditor's view of their interactions with management and the levels of errors identified during the audit).</p>	Annually/As necessary
1.5	Review	Review any letters of representation requested by the external auditor prior to presentation to the Board.	Annually
1.6	Review	Review the management letter and management's response to the auditor's findings and recommendations	Annually
	Financial Reporting		
1.7	Oversight	The Committee shall monitor the integrity of the financial statements of the Society and any formal announcements relating to the Society's financial performance and reviewing significant financial reporting judgements contained in them.	Biannually
1.8	Approve	The Committee shall approve any other statements which contain financial information (including Pillar 3 Disclosures, and Corporate Responsibility Disclosures [CRD]).	Annually
1.9	Recommend Board approval	The Committee shall review and recommend the statutory financial statements to the Board for approval.	Biannually
1.10	Approve	Review and approve the Tax Compliance Policy and approve the Society's Tax Strategy.	Triennially

Internal Control and Risk Management			
1.11	Oversight	The Committee shall keep under review the Society's internal systems of control and risk management.	As necessary
1.12	Oversight	Review the Society's procedures for detecting fraud.	Annually
1.13	Approve	The Committee shall review and approve the statements to be included in the annual report concerning internal control and the viability.	Annually
Internal Audit			
1.14	Oversight and approval	Review and approve the role and mandate of the internal audit function, monitor and review the effectiveness of the function and its work, annually approve the Internal Audit Charter and support the Head of Internal Audit in discharging the prescribed responsibilities under the FCA's Senior Manager's Regime.	Annually
1.15	Approve	Review and approve the annual Internal Audit Plan and review the subsequent outputs from it and management responses to ensure it is aligned to the key risks of the business and receive regular reports on the work being carried out.	Annually
1.16	Oversight	Ensure that the Head of Internal Audit has direct access to the Society's Chair and to the Committee's Chair. The Committee will meet at least once a year with the Head of Internal Audit without the presence of management.	Annually
1.17	Oversight	Carry out an annual assessment of the effectiveness of the Internal Audit function utilising external partners where appropriate or necessary. and from time to time oversee the process leading to an independent third-party review of the effectiveness of the Internal Audit function.	Annually
2. CULTURE & LEADERSHIP			
2.1	Oversight	The Chair of the Audit Committee will attend Remuneration Committee meetings to contribute in respect of the assessment of the Head of Internal Audits remuneration.	As necessary
3. CORPORATE GOVERNANCE MATTERS			
3.1	Oversight	Maintain awareness of evolving best practice on corporate governance in relation to Audit Committees and make recommendations to the Board as appropriate.	As necessary
3.2	Oversight	Ensure that Customer outcomes are a central focus of risk and internal audit processes. Throughout its activities, the Committee shall consider the general obligation to ensure customers are getting fair value and good outcomes in everything it does (Consumer Duty – Principle 12).	As necessary
3.3	Recommend	At least once per year, the Committee shall review its own	Annually

		performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.	
3.4	Oversight	Determine appropriate training and development for Committee Members both on appointment and on an ongoing basis to ensure that Members of the Committee are appropriately skilled.	As necessary
3.5	Oversight	Receive such reports as considered necessary on the production and integrity of regulatory returns.	Annually
3.6	Oversight	The Committee may investigate any activity within its Terms of Reference and may obtain legal or other professional advice as it considers necessary.	As necessary
3.7	Reporting	The Chair of the Committee will provide a verbal report on the activities of the Committee to the Board following each meeting of the Committee.	Every Board meeting
3.8	Reporting	The Committee shall publish a report in the Statutory Reports detailing any issues which have not been resolved between the Committee and the Board.	Annually

Key:

Recommend = recommend a decision to the Board.

Oversight = low touch monitoring.

Review = formal monitoring usually with a defined review programme.

Approve = formal agreement of the committee.

Note: appointment/removal of Head of Internal Auditor is covered under the Chair of Audit Committee's role profile.