

<b>Title</b>	<b>Audit and Assurance Committee Terms of Reference</b>
<b>Version</b>	<b>1.1</b>
<b>Author</b>	<b>Director Corporate Services</b>
<b>Reviewer</b>	<b>Audit and Assurance Committee</b>
<b>Review Date</b>	<b>13 February 2023</b>
<b>Distribution</b>	<b>Board</b>

# **Audit and Assurance Committee Terms of Reference**

## **TERMS OF REFERENCE FOR AUDIT & ASSURANCE COMMITTEE**

1. The Board has established an Audit and Assurance Committee as a Committee of the Board to support them in their responsibilities for issues of risk, control and governance and associated assurance through process of constructive challenge.

### **MEMBERSHIP**

2. The Members of the committee are:
  - 2.1. Stephen McAllister – Chair
  - 2.2. Terry Powell
  - 2.3. Jim Farish
3. The committee will be chaired by Mr Stephen McAllister.
4. The chair of the committee may not chair other committees.
5. The RMA Convener cannot be considered for membership of this committee.
6. The committee will be provided with a secretariat function by the Director Corporate Services.

### **REPORTING**

7. The committee will formally report in writing to the Board and Accountable Officer after each meeting. A copy of minutes of the meeting may form the basis of the report.
8. The committee will provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

### **RESPONSIBILITIES**

9. The committee will advise the Board and Accountable Officer on:
  - 9.1. The strategic processes for risk, control and governance and the Governance Statement;
  - 9.2. The accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and managements letter of representation to the external auditors;
  - 9.3. The planned activity and results of both internal and external audit;
  - 9.4. The adequacy of management response to issues identified by audit activity, including external audit's management letter/report;
  - 9.5. The effectiveness of the internal control environment;
  - 9.6. Assurances relating to the corporate governance requirements for the

- organisation;
  - 9.7. (*where appropriate*) proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
  - 9.8. Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
10. The committee to review and approve annual report and accounts
11. The committee will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

## **RIGHTS**

12. The committee may:
- 12.1. Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
  - 12.2. Produce specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board or Accountable Officer.

## **ACCESS**

13. The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of this committee.

## **MEETINGS**

14. The Procedures for the meetings are:
- 14.1. The committee will meet at least four times a year. The chair of the committee may convene additional meetings, as he/she deems necessary;
  - 14.2. A minimum of 2 members of the committee will be present for the meeting to be deemed quorate;
  - 14.3. Committee meetings will normally be attended by the Accountable Officer, the Director Corporate Services, a representative of Internal Audit, and a representative of External Audit;
  - 14.4. The committee may ask any other officials of the organisation to attend to assist it with its discussions on any particulate matter;
  - 14.5. The committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion on particular matters;
  - 14.6. The Board or Accountable Officer may ask the committee to convene further meetings to discuss particular issues on which they want the committee's advice.

**Change Log:**

Date	Version	Reviewer	Original	Amendment
17/02/2019	1	Audit and Assurance Committee		No Amendments
15/02/2021	1	Audit and Assurance Committee		No Amendments
14/02/2022	1.1	Audit and Assurance Committee		Amend membership composition to reflect new Chair, Mr Stephen McAllister and 2 new Committee members, Mr Jim Farish and Ms Jane Davey
13/02/2023	1.1	Audit and Assurance Committee		No amendments



## Audit & Assurance Committee Meeting & Reporting Schedule 2023-24

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Lead
<b>1. Meeting Schedule</b>													
Audit & Assurance Committee Meetings			19		28		16				26		PK
<b>2. Assurances</b>													
Fraud Report													PK
Bad Debt Write Off Report													PK
Governance Statement													PK
Management Letter of Representation													PK
Internal Audit Annual Report													PK
Corporate Risk Register													PK
<b>3. Annual Report and Accounts</b>													
Review Annual Report and Accounts													PK
Review External Auditor Annual Report													PK
Review ISA 580													PK
Approve Annual Report and Accounts													PK
<b>4. Audit Arrangements</b>													
Internal Audit Plan													PK
External Audit Plan													PK
Review Internal Audit MoU													PK
<b>5. Corporate Governance</b>													
Review Internal Audit Recommendations													PK





**APPENDIX 3:**

<b>Audit &amp; Assurance Committee Membership</b>				
<b>Name</b>	<b>Chair Appointment Date</b>	<b>Committee Appointment Date</b>	<b>Years on Committee</b>	<b>Board End Date</b>
Jim Farish	-	April -21	2 years	May -25 (R)
Terry Powell	-	Aug -17	6 years	Mar -23
Stephen McAllister	April 21	Feb -19	4 Year	Oct -22 (R)
(R) = Reappointable				