



Independent Monitoring Authority
For the Citizens' Rights Agreements

Terms of Reference

Audit and Risk Committee

Approved by	Audit and Risk Committee
Version	2.0
Date agreed	September 2021
Next review	September 2022

Role of the Audit and Risk Committee

1. The IMA Audit and Risk Committee will review the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements within the IMA.

Delegations

2. The Board has delegated the following responsibilities to the Audit and Risk Committee:
 - review of accounting policies relating to the financial statements, particularly in relation to any changes, and to comment on their adequacy;
 - seek assurance on arrangements for:
 - the effectiveness of financial, risk management and other internal control frameworks;
 - corporate governance;
 - cyber security;
 - fraud, irregularity and public interest disclosure; and
 - whistleblowing.
 - monitoring of the integrity of the financial statements and report to the Board that the Annual Report and Accounts taken as a whole, is fair, balanced and understandable;
 - approve the internal audit programme;
 - oversight of the IMA/MoJ Framework Document
 - review of the Governance Statement and Management Assurance Statement;
 - review the work and effectiveness of the internal audit function; and
 - review of the work of the external auditor.

Membership and Attendance

3. The Audit and Risk Committee consists of:
 - The Chair
 - Two appointed non-executive members
4. With additional attendees including
 - Accounting Officer / Chief Executive
 - Director of Governance and Corporate Services
 - External Auditor (standing invite)
 - Internal Auditor (standing invite)
 - Head of Arm's Length Body Centre of Expertise (MoJ)
5. The Audit and Risk Committee will be chaired by a non-executive member. The Chair may, if they so choose, nominate another committee member as a deputy to chair the meeting in their absence.
6. The meeting is not quorate unless at least two of the members appointed are present.
7. In the event that quorum is not reached, decisions will be made by Chair's action, by correspondence or will be deferred to the next Audit and Risk Committee meeting.
8. Membership is based on terms of appointment for non-executive members and can be reviewed.
9. With the Chair's consent, other staff may be invited to participate where they have a particular interest or involvement in agenda items.

Process

10. The Audit and Risk Committee will meet quarterly, additional meetings may be convened when considered necessary and business may be conducted by correspondence. Such items will be noted in the agenda as having been determined and their resolution subsequently logged.
11. Meetings will be in private session.
12. The following will be standing agenda items:
 - Previous minutes and actions
 - Declaration of Interest(s)
 - Business for noting (i.e. where business has taken place outside of the meeting, it should be noted for audit trail purposes)
 - Update from External Audit
 - Update from Internal Audit
 - Corporate Governance / Management Assurance
 - Corporate Risk Register.
13. The Chair will agree the meeting agenda and where necessary will discuss an agenda item with the originator of a proposal prior to the meeting to clarify purpose and presentation.
14. The Secretariat team will maintain the minutes, rolling action sheet, and decisions log to provide a record of business conducted and decisions/escalations made, inside and outside of the regular meeting.

Decision-making

15. The Audit and Risk Committee will seek to achieve consensus on all decisions. Where this is not possible, the collective decision will be made on a majority of the quorum, with the Chair, or in their absence their deputy where one has been appointed, holding a casting vote.

Decisions by Correspondence

16. The Chair may, where they deem it necessary, request that the Board take decisions by correspondence. In such cases the Chair shall consult the Board Members and a decision shall be made as per the paragraph above.

Decisions by Chair's Action

17. Chair's action may be used in exceptional circumstances where a decision is required urgently, and it is not possible to wait for the next meeting nor to consult the membership by correspondence. In such cases the Chair may take a decision on any matter within the Board's delegated authority.
18. All decisions made by correspondence or Chair's Action must be reported at the next Audit and Risk Committee meeting and recorded in the minutes.

Conduct

19. Committee Members must be honest and impartial in the exercise of their duties. They must not allow their judgement or integrity to be compromised or permit there to arise any reasonable grounds for suspicion as to the compromise of their judgement and integrity. Committee members will be expected to abide by standards enunciated in The Seven Principles of Public Life.

Independence

20. The Audit and Risk Committee will meet privately without any non-members present for all or part of a meeting at least once a year or as required.
21. The Chair of the Audit and Risk Committee will meet with each of the Accounting Officer(s), the Director of Governance and Corporate Services, the Head of Internal Audit and the external auditor's senior representative outside of the formal meeting structure at least once a year or as required.
22. Internal Audit will have unrestricted access to the Chair of Audit and Risk Committee and CEO/Accounting Officer as required.

Papers and Reporting

23. Papers must be concise and clearly set out: the issues, the action requested of the Audit and Risk Committee the actual or potential impact and any relevant financial or other considerations. Papers submitted for circulation will have been discussed with interested parties in good time to meet deadlines.
24. All papers for consideration by the Audit and Risk Committee must be:
 - approved by the relevant Director;
 - provided to the Secretariat no later than eight days in advance of the meeting; and
 - circulated to members seven days before the meeting.

OFFICIAL

25. Late papers will only be accepted by the Chair in exceptional circumstances.

Transparency

26. Action points from each meeting will be circulated to action owners within 48 hours of the meeting. The minutes will be circulated to the Chair within five days of the meeting.
27. The Terms of Reference will be published on the IMA website.

Conflicts of Interest

28. Any attendee who becomes aware of a potential conflict of interest relating to matters to be discussed by the Audit and Risk Committee must give prior notification to the Chair. If this is not possible, or if the conflict only becomes apparent at the meeting, they should declare this at the meeting and, where necessary, withdraw during discussion of the relevant agenda item.

Review

29. The Audit and Risk Committee will review its ways of working and terms of reference in six months following its establishment, and then annually.