

# GLA14/7.5.1 ARC Terms of Reference

17 April 2007

## **BOARD PAPER REFERENCE – GLA14/7.5.1 – ARC Terms of Reference**

### Issue

1. The GLA Board has established an Audit Committee to support them in their responsibilities for issues of risk, control and governance and associated assurance.

### Recommendations

2. The Board to approve the terms and reference of the committee.

### Terms of Reference

#### Membership

- The members of the Audit and Risk Committee are 4 Non-Executive Board members.
- The Audit and Risk Committee will be chaired by Jane Betts.
- The Audit and Risk Committee will be provided with secretarial function by Finance Director, GLA.

#### Meetings

- The Audit and Risk Committee will meet at least three times a year. The Chair of the Audit and Risk Committee may convene additional meetings as deemed necessary.
- A minimum of 2 members of the Audit and Risk Committee will be present for the meeting to be deemed quorate.
- Audit and Risk Committee meetings will normally be attended by the Accounting Officer, the Finance Director, the head of Internal Audit, and a representative of External Audit.
- The Audit and Risk Committee may ask other officials of the organisation to attend to assist it with its discussion on any particular matter.
- The Audit and Risk Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- The Board may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

#### Access

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee, and would be expected to attend meetings.

## Reporting

The chair of the ARC will make three verbal reports and one written report to the Board on an annual basis.

## Responsibilities

The Audit and Risk Committee will advise the Board on:

- The strategic process for risk , control and governance and the Statement on Internal Control.
- 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 management's letter of representation to the external auditors.
- The planned activity and results of both internal and external audit.
- Adequacy of management response to issues identified by audit activity, including external audit's management letter.
- Assurances relating to the corporate governance requirements for the organisation.
- Proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services.

## Information requirements

- The audit and Risk Committee will be provided with:
  - For each meeting:
    - A progress report from the Head of Internal Audit summarising:
      - Work performed (and a comparison with work planned)
      - Key issues emerging from Internal Audit work
      - Management response to audit recommendations
      - Changes to the Periodic Plan
      - Any resource issues affecting the delivery of Internal Audit objectives
    - A progress report from the External Audit representative summarising work done and emerging findings
  - As appropriate
    - Proposals for the Terms of Reference of Internal Audit
    - The Internal Audit Strategy
    - The Head of Internal Audit's Annual Opinion and Report
    - Quality Assurance reports on the internal audit function
    - The draft accounts of the organisation
    - A report on any changes to accounting policies
    - External Audit's management letter
    - A report on any proposals to tender for audit functions
    - A report on co-operation between Internal and External Audit

The Terms of References will be reviewed by the Audit and Risk Committee on an annual basis to ensure continuing applicability.