

**AUDIT AND RISK MANAGEMENT COMMITTEE****AUDIT AND RISK MANAGEMENT COMMITTEE****Terms of Reference****1. Constitution**

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Audit and Risk Management Committee.

**2. Membership**

- 2.1 The members of the Committee will be appointed by the Board and will consist of not less than three of which at least two must be Non-Executive Directors of TPAS. While a member of this Committee, no member of the Committee will be able to serve on the Remuneration and Appointments Committee. Neither the Chairman of TPAS nor the Chief Executive will be a member of the Committee.
- 2.2 One of the members will be appointed Chairman of the Committee by the Board. If he/she is absent from the meeting, the remaining committee members will appoint from amongst themselves a person to chair the meeting. All members will be appointed for a three year term, which can be extended for up to a maximum further three years

**3. Authority**

- 3.1 The Committee is authorised by the Board to review and approve any activity within its terms of reference. The Committee will limit its remit to the areas of governance, audit and accounts and risk management. It will not have jurisdiction over the development of strategies or policies or areas more appropriate to the Board and/or the Remuneration and Appointments Committee. In so doing, the committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this is necessary within an overall budget of £5,000 per project.

**4. Meetings and Quorum**

- 4.1 The committee shall meet regularly at least three times in each financial year. The Chairman of the Committee may convene additional meetings as considered necessary.
- 4.2 Two members of the Committee will comprise a quorum for the transaction of business.

**5. Attendance**

## AUDIT AND RISK MANAGEMENT COMMITTEE

5.1 The Chairman and Accounting Officer may attend meetings but will not be members of the Committee. The Committee may require any member of staff to attend as it deems appropriate.

5.2 A representative from DWP, NAO and the Internal Auditors will normally attend all meetings.

5.3 The Committee may ask any or all of those who attend and who are not members of the Committee, to withdraw to facilitate open and frank discussion of particular matters.

### 6. Administration

6.1 The agenda and meeting papers should be issued to members and all those attending at least seven calendar days prior to the meeting.

### 7. Secretarial

7.1 Committee secretary support will be provided by a member of the Director of Administration's team.

7.2 The Secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.

7.3 Minutes of every Committee meeting shall be circulated to all members of the committee.

### 8. Reporting

8.1 The Committee will report back to the Board after each meeting.

8.2 The Committee shall report on its activities, to the extent that it can, without breaching confidentiality, in the TPAS Annual Report and Accounts.

### 9. Responsibilities

9.1 The Committee shall advise the Board and Accounting Officer on:

- The strategic processes 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;

## AUDIT AND RISK MANAGEMENT COMMITTEE

- The 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 Internal Audit services or for the purchase of non-audit services from contractors who provide audit services;
- Anti-fraud policies, whistle-blowing processes and arrangements for special investigations.

### 9.2 The Committee shall

- Review at least every two years TPAS's banking arrangements to ensure they represent good value for money;
- Be responsible for nominating candidates for the approval of the Board to fill vacancies within the Committee as and when they arise.

## 10 Review

- 10.1** The Committee terms of reference will be subject to annual review. Proposals for amendment to the terms will be submitted to the Board for formal approval.