

Audit & Risk Assurance Committee - Terms of Reference

Status of the Committee

The Ombudsman has established an Audit & Risk Assurance Committee whose role is to support the Ombudsman in relation to responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Audit & Risk Assurance Committee are:

- a minimum of four and a maximum of eight independent external members (who offer specific skills and experience sought by the Ombudsman and may include someone from another ombudsman office)
- up to two co-opted members.

The Chief Operating Officer & Director of Improvement will act as Secretary to the Committee. The Ombudsman, and other Management Team members as determined by the Ombudsman, will attend the Committee's meetings.

The term of office for Independent members will be three years. The Ombudsman has the option to extend this term for three further years.

The meetings will be Chaired by one of the independent external members. A Vice Chair will also be appointed. The Ombudsman will appoint independent members of the Committee to the position of Chair and Vice Chair on the recommendation of the Audit & Risk Assurance Committee. Should the Ombudsman decide not to follow the recommendation of the Audit & Risk Assurance Committee the Ombudsman's decision will be recorded in the minutes of the Audit & Risk Assurance Committee's meeting.

Role and responsibilities of the Committee

The Audit & Risk Assurance Committee will scrutinise and advise the Accounting Officer on:

- the strategic processes for risk, control and governance and the Annual Governance Statement;
- the draft Strategic and Business plans from a compliance, economy, efficiency and effectiveness basis in recognition of the requirement with the annual audit to account for the use of funds;
- the accounting policies, the accounts, 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;
- (where appropriate) proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- Business continuity arrangements;
- Health & Safety arrangements;
- the Audit & Risk Assurance Committee will also periodically review its own effectiveness.

Rights

The Ombudsman and Audit & Risk Assurance Committee may:

- co-opt members for a period of time (not exceeding a year) to provide specialist skills, knowledge and experience which the Committee needs at a particular time;;
- seek specialist ad-hoc advice subject to being within budget.

Access

- The representative of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit & Risk Assurance Committee.

Meetings

- The Audit & Risk Assurance Committee will meet at least four times a year. The Chair of the Audit & Risk Assurance Committee or the Ombudsman may convene additional meetings, as they deem necessary.
- A minimum of three independent members of the Audit & Risk Assurance Committee will be present for the meeting to be deemed quorate.
- In the event of the Chair of the Audit & Risk Assurance Committee being unable to attend a meeting, the Vice Chair will take the chair or if they are also unable to attend another independent member will take the chair.
- Audit & Risk Assurance Committee meetings will normally be attended by the Ombudsman; Chief Operating Officer & Director of Improvement; Chief Legal Adviser & Director of Investigations; IT Manager; the Financial Accountant; representatives from Internal Audit; and representatives of External Audit.
- The Audit & Risk Assurance Committee may ask any other officials of the office to attend to assist it with its discussions on any particular matter.
- The Audit & Risk Assurance Committee may invite other persons or bodies to attend meetings to provide professional advice or information on any matters that the Committee deems relevant to the proper discharge of its functions.
- The Audit & Risk Assurance 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.

Declaration of Members Interests

Members are required to declare any personal interests in accordance with the PSOW's Policy on [Declaration of Interests](#) by Advisory Panel and Audit & Risk Assurance Committee members.

Information Requirements

For each meeting the Audit & Risk Assurance Committee will be provided with:

- a report summarising any significant changes to the organisation's Risk Register, together with a list of High and Medium risk items;
- a progress report from Internal Audit representative 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 resourcing issues affecting the delivery of Internal Audit objectives;
- a report or reports on any significant breaches of the organisation's control framework, frauds, losses, disposal of assets, write-offs, procurement outside of the normal arrangements and any other matters that the Committee ask to be reported to it at each of its meetings.

The External Audit representative will report as appropriate on any work done and emerging findings.

As and when appropriate the Committee will also be provided with:

- the Internal Audit Strategy;
- proposals for the Terms of Reference of Internal Audit;
- a copy of all internal audit reports issued;
- Internal Audit's Annual Opinion and Report;
- any quality assurance reports on the Internal and External Audit functions;
- the draft accounts of the organisation;
- the draft Annual Governance Statement;
- a report on any changes to accounting policies;
- External Audit's ISA 260 report and associated management letter;
- an oral report on co-operation between Internal and External Audit;
- proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- any changes to the risk management policy and strategy;
- any changes to anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- proposals for any significant changes to any elements of the control framework.

Reporting

- Each Audit & Risk Assurance Committee meeting shall be recorded in minutes that will be approved at the next meeting.
- The Audit & Risk Assurance Committee will provide the Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Annual Governance Statement, summarising its conclusions from the work it has done during the year.

- Note: For the avoidance of any doubt and in accordance with these Terms of Reference neither the Audit & Risk Assurance Committee nor any individual members have any role or remit in relation to casework decisions made by the PSOW and have an advisory-only role in operational matters.

Approved by Management Team on 12 July 2022
Ratified by the Audit & Risk Assurance Committee on 20 July 2022
Next Review: July 2023