

Civil Service Commission

TERMS OF REFERENCE FOR THE AUDIT AND RISK COMMITTEE

1. Audit function

The Civil Service Commissioners and their staff form the Civil Service Commission. Civil Service Commissioners are the Board of the Commission.

The Board has established an Audit and Risk Committee of the Board to support them in their responsibilities for issues of risk control and governance. The Committee will do this by reviewing whether proportionate assurances for meeting the Board's and Accounting Officer's responsibilities are available and forming an opinion as to the reliability and integrity of these assurances.

MEMBERSHIP AND QUORUM

The members of the Audit and Risk Committee are three or more Commissioners and, *if required*, additional member(s) who is/are external to the Commission if particular skills, knowledge and experience are required by the Committee. Members of ARC will resolve any potential conflict in their role by following the Commission's Code of Practice for Commissioners. At least one ARC member will have relevant financial experience.

The Audit and Risk Committee will be chaired by a Commissioner appointed by the Board of the Commission.

The Audit and Risk Committee will be quorate if at least half the number of current members are present, and, in the event of any vote, at least half the number of current members of the Committee support the proposal.

REPORTING

The Audit and Risk Committee will formally report in writing to the Board and Accounting Officer after each meeting.

The Audit and Risk Committee will annually provide the Board and Accounting Officer with a report, timed to support finalisation of the accounts and the Governance Statement and summarising the conclusions from the work it has done during the year.

RESPONSIBILITIES

Revised 11th September 2012

The Audit and Risk Committee will support the Accounting Officer in the discharge of his/her responsibilities and will, on behalf of the Board, supervise and monitor the adequacy and effectiveness of the various processes and controls of the Commission and it will advise the Board 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;
- 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;
- audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes (including the arrangements for handling complaints from staff under the Staff Code of Practice), and arrangements for special investigations;
- the Committee will also periodically review its own effectiveness and report the results of that review to the Board.

RIGHTS

The Committee may:

- co-opt temporary members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of the organisation, subject to agreement by the Board.

ACCESS

The representatives of External and Internal Audit will have free and confidential access to the Chair of the Board, the Chair of the Audit and Risk Committee and to the Accounting Officer.

MEETINGS

The Committee will usually meet at least three times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. The Audit Committee (members only) will normally have a private meeting with the external auditors at least once a year

Revised 11th September 2012

Committee meetings will normally be attended by the Accounting Officer, Internal and External Audit and the officer responsible for resource accounting.

The Committee may ask others to attend to assist it with its discussions on any particular matter.

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 of particular matters.

The Board or the Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

INFORMATION REQUIREMENTS

For each meeting the Audit Committee will be provided with:

- a report summarising any significant changes to the organisation's Risk Register;
- 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 resourcing issues affecting the delivery of Internal Audit objectives;
- a progress report from the External Audit representative summarising work done and emerging findings.

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

- 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;
- the draft Statement on Internal Control;
- 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.

2. Oversight function

Revised 11th September 2012

Terms of Reference

On behalf of the Board, to provide reasonable assurance that the Commission acts as an exemplary regulator within a fit for purpose governance and accountability framework suitable for an Executive non-Departmental Public Body with operational independence of government and the Civil Service.

This will include oversight of the effective operation and impact of the Commissioners' Code of Practice; the Staff Code of Practice; the Commission's Business Planning process; Communications Strategy; and Commissioner Appointments.

To support the Board of the Commission in its responsibilities for issues of risk control and governance. The Committee will do this by reviewing whether proportionate assurances for meeting the Board's and Accounting Officer's responsibilities are available and by forming an opinion as to the reliability and integrity of these assurances.