

QUALIFICATIONS WALES

Terms of Reference

Audit and Risk Assurance Committee



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Purpose

1. The Audit and Risk Assurance Committee (the Committee) will advise the Board and Accounting Officer on the adequacy of arrangements within Qualifications Wales for internal audit, external audit and corporate governance matters by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, and the integrity of financial statements and the Annual Accounts.
2. It will be for the Board to define and communicate the company's risk appetite, and how it manages key risks. Responsibility for risk management and internal control will lie with the Board. However, the oversight of this will be delegated to the Committee.

Role

3. The role of the Committee is to advise the Board and Accounting Officer on:
 - a. the strategic processes for risk, control and governance and the Governance Statement.
 - b. the organisation's approach to risk management and satisfying itself of the way that risk is managed within the organisation.
 - c. the effectiveness of the governance and internal control of the organisation.
 - d. anti-fraud policies, whistleblowing processes, the annual monitoring of Board declaration of Interest, the monitoring of gifts and hospitality, and the arrangements for special investigations within the organisation.
 - e. the adequacy of management response to issues identified by audit activity, including those issues identified by external audit.
 - f. the adequacy of arrangements within Qualifications Wales for internal audit (including the annual internal audit plan), external audit and corporate
 - i. governance matters.
4. The Committee will also:
 - a. review the draft annual accounts in detail, including the Governance Statement and Financial Statements, to enable it to provide the necessary assurances to the Qualifications Wales Board.
 - b. oversee the re-procurement of the internal auditor.
 - c. maintain oversight of IT security.
 - d. maintain oversight of Qualification Wales' compliance with new/amended legislation as directed by the Qualifications Wales Board.

Membership and Attendance

5. The Committee will comprise of four non-executive directors of the Qualifications Wales Board.
6. The Chair of the Board will act as a reserve Committee member and their attendance will count towards the quorate.

7. Members of the Committee are appointed by the Chair of the Board who, under the Board's Scheme of Delegation, may add or remove members to meet the needs of the organisation.
8. The Chief Executive and Executive Director of Corporate Resources should attend the Committee but will not be members of the Committee.
9. The Heads of Finance, Procurement and IT will usually also be in attendance. Other members of staff or external advisors may also be required to attend from time to time to assist the Committee in the discharge of its duties.
8. Representatives from the internal audit provider and external audit (Audit Wales) will also be invited to every meeting of the Committee.
9. The **quorum** for the Committee meetings will be three members.
10. Qualifications Wales' Sponsor Unit, as representatives of Welsh Ministers, will be invited to committee meetings, to attend as observers, recognising that there will be some matters for discussion where it may not be appropriate for Welsh Government staff to be present. Sponsor Unit officials will not have any function at these meetings other than to evaluate the propriety with which Qualifications Wales' activity and expenditure is conducted. Qualifications Wales will share the agendas for all committee meetings with the Sponsor Unit, who may request to attend a meeting of relevance, or to review the minutes of any meeting.

Support

11. The Committee will be supported by the Head of Corporate Governance, who will be the Committee's main liaison with the organisation and the auditors,, co-ordinate the secretariat, facilitate committee induction, and provide advice and information to committee members (particularly in relation to the organisation's audit and risk activities) at and between meetings, ensuring that effective arrangements are made for ordinary and special meetings.

Modus Operandi

12. The Committee will receive reports as appropriate from the organisation's Chief Executive. It will report to the Board via regular committee assurance reports which will be presented by the Chair of the Committee to the next meeting of the Board following each Committee meeting.
13. The Committee will usually meet 4 times per year in a timely manner to co-ordinate the preparation of an up-to-date statement on audit and risk assurance for the organisation to be presented to the Board. The Committee may operate and meet ex-Committee where appropriate to fulfil its business.
14. During the course of its meetings, the Committee will examine the organisation's:
 - a. Structures/arrangements for financial management and reporting
 - b. internal controls/systems
 - c. risk assurance and management processes
15. At the appropriate times, it will also consider internal and external audit, and its own performance, and may sit in private sessions that exclude attendance by non-members.

16. The Committee shall produce a Chair's annual assurance report to the Board providing a report of its activities and opinion of the organisational position in relation to its remit.
17. At least once a year, the Committee will hold a separate meeting with representatives of the Audit Wales and the Internal Audit provider to discuss any specific issues or more general matters each may wish to raise. This meeting will be held as a private session.
18. Subject to the agreement of the Committee Chair, the Committee may approve committee recommendations and take decisions ex-committee provided a written resolution is supported by at least three Committee members.