

## **Audit and Risk Committee**

### **Terms of Reference**

- The Committee will consist of 4 Commissioners (including the Chair) and one independent member.
- The Committee will meet quarterly. The Chair of the Committee may convene additional meetings as deemed necessary.
- Two members shall be present for the meeting to be deemed quorate. In the event of a disagreement when the Committee is at its minimum level, the Chair will have an overriding vote.
- The Committee may require JAC staff to attend on matters of a particular nature.
- 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 Accounting Officer or Commission may require the Committee to convene other meetings to discuss specific issues on which advice of the Committee is required.

### **Access:**

Senior representatives of both internal and external audit will have free and confidential access to the Accounting Officer and Chair of the Committee.

### **Reporting:**

The Committee will formally report back to the Accounting Officer and Commission (Board) after each meeting and will provide an annual report on the discharge of its roles and responsibilities. The Committee will also report on periodic assessment of its own effectiveness.

### **Responsibilities:**

The Committee will advise the Accounting Officer and Commission on:

- the strategic process for risk, control and governance and the Governance Statement.
- the accounting policies, the accounts, and the annual report of the JAC, including the process to review the accounts prior to submission for audit, levels of errors identified, and management's Letter of Representation to the NAO
- the planned activity and results of both internal and external audit
- adequacy of management's response to issues identified by audit activity, including NAO's Audit Completion Report (including management letter).
- assurances relating to the corporate governance and risk management requirements for the JAC
- recommendations regarding risk and governance issues
- Anti-fraud and Corruption Policy, Anti-Fraud and Corruption Response Plan and Whistleblowing procedure.

### **Information Requirements:**

For each meeting the Committee will be provided with:

- an updated JAC Corporate Risk Register
- a progress report from Internal Audit, summarising:
  - work performed (and a comparison with work planned) and changes to planned activity;
  - final audit reports including management response to audit recommendations;
  - action points arising from Internal Audit work;
  - any resourcing issues affecting the delivery of Internal Audit objectives;
- a report from External Audit (NAO) summarising emerging issues for management consideration and, where applicable, audit work done and emerging findings;
- a report on any other external reviews commissioned in the period;
- a verbal update on any suspected or detected fraud or theft, and details of any Whistleblowing.

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

- proposals for the Terms of Reference of Internal Audit;
- the Head of Internal Audit's Annual Opinion and Report;
- periodic external quality Assurance reports commissioned by the MoJ on the Internal Audit function;
- the draft accounts of the organisation;
- the draft Governance Statement;
- a report on any proposed changes to accounting policies;

### **Relationship with the MoJ Corporate Audit Committee**

The Chair of the JAC Audit & Risk Committee shall maintain effective communication arrangements with the MoJ Corporate Audit Committee on governance, control and risk management arrangements. This includes attending meetings (normally twice a year) agreed with the Chairmen of the MoJ Audit Committees, to discuss issues of mutual interest, and making the JAC Audit and Risk Committee's minutes available to the MoJ Corporate Audit Committee.