

Open session

Board meeting: Wednesday 17 May 2023

Agenda item: 11

Subject: ARAC Annual Report

Action: For note

Purpose

The Committee provides a written report to the Board annually on its activities, as set out within its Terms of Reference.

Recommendations

The Board is asked to note the Audit and Risk Assurance Committee (ARAC) Annual Report for the period 1 May 2022 to 30 April 2023. Attached at [Annex A](#) is the 2019 Committee Terms of Reference with workstreams mapped against it for reference.

Annexes

Annex A – 2019 Committee Terms of Reference with mapping of Committee work

Annex B – Revised Committee Terms of Reference – 1 April 2023

Author/Key Contact

Cindy Leslie (past Committee Chair)

Thomas McDermott (current Committee Chair)

1. Open Session

2. Audit and Risk Assurance Committee Annual Report – 1 May 2022 to 30 April 2023

Membership

2.1 During the reporting period the Committee membership has been:

3 May 2022 to 31 March 2023

- Cindy Leslie (Chair, Lay Board Member)
- Mark Bottomley (Architect Board Member)
- Liz Male (Lay Board Member)
- Dónall Curtin (Independent Member)

1 April to 30 April 2023

- Thomas McDermott (Chair, Lay Board Member)
- Cindy Leslie (Lay Board Member)
- Mark Bottomley (Architect Board Member)
- Will Freeman (Architect Board Member)
- Dónall Curtin (Independent Member)

Meetings

2.2 The Committee held four meetings between 1 May 2022 and 30 April 2023:

10 August 2022

11 November 2022


24 January 2023

18 April 2023

The Committee was quorate for all meetings.

Attendees

2.3 Representatives from TIAA, ARB's current internal audit firm, attended all appropriate agenda items at the Committee meetings in the reporting period (with the exception of the discussions on the auditors' performance).

- 
- 2.4 The Committee also had the opportunity of a confidential pre-meeting with the internal audit partner before the November 2022 and the January and April 2023 meetings; no staff members were present at the pre-meetings.
- 2.5 The Board's external auditors, Crowe LLP, attended the meetings held on 11 November 2022 and 18 April 2023, although absented themselves for any Committee discussion around their performance. The Committee held a confidential discussion with Crowe, without the Executive present, for a discussion on the annual report and accounts.

Terms of Reference

- 2.6 The Committee's terms of reference for the majority of the year were those created in July 2019 (as mapped in Annex A). With Board approval, the ToR and Committee membership were updated to take effect from 1 April 2023 (Annex B).
- 2.7 The Committee has considered its workplan and has mapped that plan against its Terms of Reference to ensure adherence. For the purpose of mapping the Committee's work against the ToR for the reporting period covered in this annual report, the 2019 version of the ToR have been used.

Chair's activity

- 2.8 The Committee Chair is part the Department for Levelling Up, Housing and Communities Audit and Risk Assurance ALB Chairs Forum. The last meeting of that forum was held in March 2023. Informal feedback from those meetings was provided both the CEO and Director of Resources, as well as the Committee through verbal updates.

Regular reporting to the Board

- 2.9 The Committee provided regular feedback to the Board through its minutes and, as appropriate, oral updates. The last Committee annual Report was presented to the Board in May 2022.


The Committee's work

Internal Audit

- 2.10 Five internal audits were undertaken in the reporting period:

- **Transformation Programme part 1 – Governance Arrangements**

This considered the governance arrangements in place for overseeing and monitoring the progress of the transformation project, specifically the terms of reference and activities of the Transformation Assurance Board and reporting.



The overall assessment provided by the auditors was a **substantial assurance** and the actions identified were 'routine' actions (priority 3) relating to the timely update of Kanban Boards (a project organisation tool).

Final report issued: 15 August 2022

Reported to ARAC: 11 November 2022

- **Human Resources**

This audit considered the arrangements in place for the selection and appointment process, the on-boarding and induction, the signing of contracts and salaries added to the payroll system. The assessment provided by the auditors was a **substantial assurance** and the actions identified were 'routine' actions (priority 3) and related to the cyclical review of process and retention of interview notes.

Final report issued: 23 September 2022

Report presented to ARAC: 11 November 2022

- **Core Financial Controls**

This looked at the effectiveness of key financial controls which provide assurance that the general ledger (reconciliations), cash & banking and payments are operating in accordance with ARB's requirements. The assessment provided by TIAA was a **substantial assurance**, with 'routine' actions identified which related to a review of contracts for ongoing services and the raising of purchase orders.

Final report issued: 21 October 2022

Reported to ARAC: 11 November 2022

- **Transformation Programme part 2 – Project Management**


This considered the CRM project management arrangements in place and included a review of the oversight and monitoring of the project's progress, progress against milestones, progress against PID, operation of change management protocols, risk register (RAID) updates and movements, reporting to the Programme and ARB Board and the project's impact on the people workstream in terms of resources. A **substantial assurance** was provided, with routine actions identified in respect of documenting actions against resourcing risks in RAID, and actions in the action log being linked back to the relevant risk.

Final report issued: 11 April 2023

Reported to ARAC: 18 April 2023

- **Complaints – Professional Conduct Committee process**

This considered the processes and procedures of complaints through the Professional Conduct Committee stage. It resulted in a **reasonable assurance** rating from TIAA, with a mix of priority 2 (important) and priority 3 (routine) actions. These actions concerned updating of standard operating procedures,



retention of approvals, and carrying out root cause analysis to determine if there are any reasons beyond increased workload to account for cases not meeting the hearing scheduling KPI.

Final report issued: 11 April 2023


Reported to ARAC: 18 April 2023

- 2.11 TIAA presented their Internal Audit Annual Report* to the Committee at its January 2023 meeting, in which the Head of Internal Audit's annual opinion was given as:

"TIAA is satisfied that, for the areas reviewed during the year, the Architects Registration Board has reasonable and effective risk management, control, and governance processes in place".

Risk

- 2.12 Throughout 2022/2023, the Committee continued to alert the Board to any new or increased risks facing the organisation, and it worked closely with the Executive to gain assurance that in all cases the risks were managed appropriately.
- 2.13 As part of their internal controls' assurance ARB's internal audit firm, TIAA, also provide briefings on developments in governance, risk and control covering topics such as invoice fraud, risks around cybercrime and expense claim frauds. As well as being shared with the Committee, they are also shared with ARB staff where relevant.
- 2.14 Throughout the year, the organisation risk register has been reviewed at each Committee meeting. Following the transfers of ARB's risk register to a DLUHC standard template, it was also provided to our risk business partner at DLUHC who provided some positive feedback, along with some small areas for improvement. These have been reviewed and incorporated into the current version of ARB's risk register.
- 2.15 Several key risks were identified and interrogated by the Committee including a risk around capacity of ARB's existing VDI servers which emerged as part of the IT Principal Partner's review of our IT infrastructure. This related to ARB's virtual desktop infrastructure (VDI) capacity which, owing to increased staff numbers meant that if one server were to fail, there would be no failover in place. This was reported to the Committee along with a timeline for the remedial works. A further report was made to the Committee once works were complete, and the risk fully remediated.



2.16 As part of considering the risk register, the Committee also received updates on the how the increased retention fee had impacted on numbers on the register, once the retention fee payment window had closed.

2.17 The Committee has also received regular updates on previously identified risks around IT, work on which was prioritised. These included the rollout of the Web Application Firewall (WAF), and the work on 'End User Computing.

2.18 At the Committee's request, updates have also been invited from the Executive on those areas that had been previously subject to internal audit, but where progress was somewhat reliant on the IT Transformation Project. These areas included:

- General Data Protection Regulation
- Business Continuity Planning, in particular IT Disaster Recovery Plan


Conclusion

2.19 2022/2023 has seen some change in the Committee, with our new independent member and more recently, the revised Committee membership and Terms of Reference.

2.20 The Committee fed into the review of the Scheme of Delegation which now, following Board approval, allows for the delegation of a selection of Registrar duties. The Committee has asked to be kept updated on the use of the new Registrar's powers of delegation. In addition to this it has received reports of any variation to the formal procurement process where there was a higher contract value involved.

2.21 In addition to identifying and monitoring key risks at each meeting, the Committee has closely monitored the internal audit work including the planning for the year, ensuring audit topics were relevant and added value, as well as reviewing the audits carried out during the reporting period and progress against any actions identified. It has closely monitored progress in respect of key areas that were more historic such as accessibility and GDPR. Since the agreement of the Board's five-year strategy, the Committee has also been provided with updates as to progress at each meeting, particularly in relation to the Transformation Programme, and this will continue into 2023/2024.

2.22 As noted above, the majority of internal audits carried out throughout the reporting period gained a 'substantial assurance' rating, which is reflected in the positive annual assurance rating offered in the annual report prepared by TIAA.

- 
- 2.23 The Committee can provide the Board with reasonable assurance that internal controls and risk management at ARB have operated successfully throughout the reporting period.

Looking forward

- 2.24 A Committee work plan has been agreed for the remainder of 2023 and an internal audit plan has been prepared. Areas for internal audit are likely to cover cyber, accreditation process and the integrity of the Register.
- 2.25 The reporting period for the next ARAC Annual Report will be adjusted to cover the period 1 January to 31 December, this is to align with ARBs financial year.
-

3. Resource Implications

- 3.1. The cost of internal and external audit functions are contained within the current budget.
- 3.2. The Committee holds the majority of its meetings online to minimise costs and efficiency for members . The Committee has agreed it will seek to hold at least one meeting per year in person to support effective working and relationship building.
- 3.3. There is a resource requirement in terms of staffing, both in the planning of audits the time taken for fieldwork and the implementation of agreed (relevant for both internal and external audit). The amount of time and the level of staff required can be factored in when planning audit dates, but as these dates are set early on, they may not account for unexpected fluctuations in workload/staff availability.
-

4. Risk implications

- 4.1. The Board has ultimate responsibility for risk, it is therefore important that it has confidence in the work and oversight of the Audit and Risk Assurance Committee.
- 4.2. The Committee prepares an annual report for the Board to assist the Board in carrying out its oversight responsibilities. The annual report also gives the Board an opportunity to explore the Committee's work and identify any areas of concern.
-

5. Recommendations

- 5.1 The Board is asked to note the Audit and Risk Assurance Committee (ARAC) Annual Report for the period 1 May 2022 to 30 April 2023.

Audit and Risk Assurance Committee Terms of Reference Compliance – 1 May 2022 to 30 April 2023*

Line item	Action
<p>The focus of the Committee’s work will be determined by the ARB’s strategic objectives and other organisational priorities. More specifically, the Committee will:</p>	
<ul style="list-style-type: none"> consider and approve the plans for internal and external audit; 	<p><u>External Audit:</u> The scope of the 2022 external audit was discussed by the Committee at its meeting held on 11 November 2022. This meeting also introduced a new audit partner who would be leading on the 2022 external audit. The draft Annual Accounts and Annual Report is due to be reviewed by the Committee at its April 2023 meeting, before being presented to the Board in May 2023.</p> <p><u>Internal Audit:</u> A preliminary internal audit plan for 2023 was discussed and agreed by the Committee at its meeting held in August 2022; a revised plan was subsequently approved at the November 2022 meeting to ensure the audit topics offered best value. The provisional internal audit plan for 2024 was discussed at the January 2023 ARAC meeting.</p>
<ul style="list-style-type: none"> ensure that there are levels of assurance in place which are aligned to the delivery of ARB’s strategic objectives and other organisational priorities and consistent with the risk appetite agreed by the Board; 	<p>The organisation’s Risk Register was presented at all 2022/2023 ARAC meetings.</p> <p>The Committee received oral updates on organisation strategy and the IT Transformation Project at each meeting in the reporting period.</p>
<ul style="list-style-type: none"> review the effectiveness of the risk management process, in order that major risks are identified and that mitigation strategies are in place, and make recommendations about these issues to the Board; 	<p>The Committee also interrogated specific operational risks, along with mitigations, that occurred throughout the year, such as IT risks including server capacity and the WAF roll out, as well as changes to Board</p>

	<p>membership and the impact of any delay with recruitment or reappointment and the mitigations in place.</p> <p>The Committee also requested assurance from the Executive on how risk was considered at operational level. It was confirmed that the risk register was considered by the Senior Leadership as a whole, and consideration of risk was a factor in each project.</p> <p>The Chair of the Committee attended all meetings of the Department for Levelling Up, Housing and Communities Audit and Risk Assurance Chairs Forum.</p>
<ul style="list-style-type: none"> ensure that there are effective and comprehensive arrangements for corporate governance, and make recommendations about these issues to the Board; 	<p>The Committee reviewed and provided input into an amended Scheme of Delegation (SoD); the SoD was being amended to allow for the delegation of some Registrar functions. The amended SoD was then approved by the Board at its October 2022 meeting. As part of the review, it was agreed that delegations would be reported at each meeting of the Audit and Risk Assurance Committee.</p>
<ul style="list-style-type: none"> provide an independent and objective view on the effectiveness of internal controls, and review the Statement of Internal Control. 	<p>NOTE: the Committee will provide a view when the 2022 annual Accounts are presented to the Board on 17 May 2023.</p>
<p>The Committee will also advise the Board and ARB’s accounting officer about:</p>	
<ul style="list-style-type: none"> the strategic processes for risk, control and governance; 	<p>The Committee considers and fully discusses risk at each meeting. Input is also invited from ARB’s internal auditors to help to ensure best practice.</p> <p>The Committee fed into an amended Risk Management policy incorporating risk appetite, this was approved by the Board in July 2022</p>

Item 11 – Annex A

	If the any risk reporting structure requires changing throughout the year, recommendations would be made to the Board.
<ul style="list-style-type: none"> the content of the Governance Statement; 	<p>The 2022 Audited Accounts and Governance statements will be considered by the Committee at its meeting held on 18 April 2023.</p> <p>The 2022 audited accounts and governance statement will then formally approved by the Board at its meeting held on 18 May 2023.</p>
<ul style="list-style-type: none"> accounting policies, the Annual Report and Accounts, (including the process for review of the Accounts prior to submission for audit), levels of error identified, and the Accounting Officer letter of representation; 	
<ul style="list-style-type: none"> value for money issues; the results of both internal and external audit, and the adequacy of management responses, including the management letter from External Audit; 	<p>An update on internal audit is included all ARAC agendas. The Committee also receives an update on outstanding actions by way of matters arising.</p> <p>Internal audit topics covered between 1 May 2022 and 30 April 2023 were:</p> <ul style="list-style-type: none"> Transformation Programme Pt1 – Governance Arrangements Human Resources Core Financial Controls Transformation Programme Pt2 – Project Management Complaints – Professional Conduct Committee process
<ul style="list-style-type: none"> review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function; 	<p>Confidential sessions were held between the Committee and internal auditors prior to the August 2022, November 2022 and January 2023 meetings.</p> <p>A confidential session between the Committee and the external auditors will be held as part of the April 2023 meeting.</p>
<ul style="list-style-type: none"> assurances relating to ARB’s corporate governance requirements; 	<p>ARB’s internal and external auditors regularly attend ARAC meetings and share best practice knowledge, articles and legislative changes where applicable.</p>
<ul style="list-style-type: none"> effectiveness in complying with relevant codes of best practice; 	

	The Committee reviewed and recommended amendments to ARB’s Whistleblowing and Procurement policies.
<ul style="list-style-type: none"> recommend to the Board proposals for the provision of internal audit services; the service provided by internal audit and whether it meets the standards specified in Government Internal Audit Standards; 	TIAA were appointed with effect from January 2022, so this was the first year of working with ARB. The Committee reviewed TIAAs performance in January 2023.
<ul style="list-style-type: none"> recommend to the Board proposals for the provision of external audit services; the service provided by external audit and whether it meets the standards specified within the International Standards on Auditing; 	The Committee noted the Executives review of the external auditor’s performance at its April 2023 meeting.
<ul style="list-style-type: none"> the extent of cooperation between Internal and External Audit; 	<p>Both sets of auditors attended the November 2022 meeting, and both will attend the April 2023 meeting. Both sets of auditors contribute to relevant agenda items when in attendance.</p> <p>The external auditors, annually, will seek to gain confirmation from the Internal Auditors that there’s nothing the external auditors need to be aware of for the statutory external audit.</p>
<ul style="list-style-type: none"> anti-fraud and anti-corruption policies, whistle-blowing processes and arrangements for special investigations and management’s response to any critical incidents; 	There have been no critical incidents to report in this period.
<ul style="list-style-type: none"> information assurance matters, including cyber security; 	Cyber security is listed as a key aspect on the organisation’s risk register, which is reported to the Committee at each meeting.

	<p>The Committee is provided with an update on progress of the transformation project at each meeting.</p> <p>The senior leadership team undertook a BCP cyber scenario test in late April 2022 with the selected scenario focussed on a cyber resilience. The results of the test were reported to the Committee at its August 2022 meeting along with a list of actions that had been identified as a result of the test exercise.</p>
<ul style="list-style-type: none"> its own effectiveness, and an annual review of its terms of reference. 	<p>This document is a review of the Committee’s effectiveness. At its August 2022 meeting, the Committee also considered feedback provided as part of the Board & Committee Effectiveness survey.</p> <p>The Committees Terms of Reference were reviewed by the Governance team in Q4 of 2023, new ToR were agreed and implemented on 1 April 2023. While this report only considers the ToR that were in place for the majority of the reporting period, the reviewed ToR are attached at Annex B. The Committees next annual report will be mapped against these new Terms.</p>
<p>Authority</p> <p>The Board and ARB’s Accounting Officer authorise the Committee to investigate any activity within its terms of reference and to access any records, staff and physical properties deemed necessary to assist the Committee to carry out its duties.</p> <p>The Committee can decide to obtain, in agreement with ARB’s Accounting Officer and/or the Board, external professional advice on any particular issue.</p> <p>The Chair of the Committee will have free and confidential access to the ARB Accounting Officer and Head of Finance and Resources.</p>	<p>This is an ongoing task of the Committee and can be executed when it sees fit.</p> <p>There have been no requests in the reporting period.</p>

<p>Membership</p> <p>The members of the Committee shall be appointed by the Board and shall consist of no fewer than three Board members comprising the Chair of the Committee, one lay member and one registrant member (none of whom will be the Chair of the Board). The Board may also appoint an additional external member to supplement the Committee’s skills base and/or provide an additional independent perspective.</p> <p>The Chair of the Committee should have recent significant and relevant financial and/or audit qualifications and experience.</p> <p>A member of the Executive shall act as secretary to the Committee.</p>	<p>To 31 March 2023</p> <ul style="list-style-type: none"> • Cindy Leslie (Chair, Lay Board Member) • Mark Bottomley (Architect Board Member) • Liz Male (Lay Board Member) • Dónall Curtin (Independent Member) <p>1 April to 30 April 2023</p> <ul style="list-style-type: none"> • Thomas McDermott (Chair, Lay Board Member) • Cindy Leslie (Lay Board Member) • Mark Bottomley (Architect Board Member) • Will Freeman (Architect Board Member) • Dónall Curtin (Independent Member)
<p>Quorum</p> <p>A minimum of two Board members must be present for the meeting to be deemed quorate.</p>	<p>All meetings of the Committee have been quorate.</p>
<p>Meetings and procedures</p> <p>The Committee will meet at least four times a year at times to align with key points in the financial year and governance timetable. The Chair of the Committee, in consultation with the Chair of the Board and the ARB Accounting Officer, may convene additional meetings as deemed necessary.</p>	<p>Four meetings have been held in the reporting period:</p> <ul style="list-style-type: none"> • 10 August 2022 • 11 November 2022 • 24 January 2023 • 18 April 2023

Item 11 – Annex A

<p>The Committee will conduct a technical review of the annual accounts in conjunction with the Head of Finance and Resources. The Committee will meet regularly in private with the Internal and External Auditors.</p>	<p>The Audited accounts and Governance statements will be considered by the Committee at its meeting on 18 April 2023.</p> <p>The 2022 Audited accounts and governance statement will then be formally presented to the Board for approval at its meeting scheduled for 18 May 2022.</p> <p>For good order, the Executive are generally asked to leave the meeting for a short time so that the Committee can speak to the external auditors in private.</p>
<p>The Committee may ask any other member of staff, or such others as may be appropriate, to attend to assist it with its discussions on any particular matter and may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussions of particular matters.</p>	<p>This is at the Committee’s prerogative. In the reporting period, regular Executive attendees at ARAC meetings were:</p> <ul style="list-style-type: none"> • Hugh Simpson (CEO and Registrar) • Marc Stoner (Director of Resources) • Kristen Hewett (Operations Manager) <p>Additional SLG attendees from the SLG have been:</p> <ul style="list-style-type: none"> • Emma Matthews (Director of Governance and International) • Rebecca Roberts Hughes (Director of Policy and Communications)
<p>Authority</p> <p>The Board and the ARB Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee’s advice. External auditors or internal auditors have the right to raise any issues with the Chair of the Audit Committee or request a meeting with the Committee at any time.</p>	<p>This is at the Committee’s prerogative.</p> <p>No issues were raised with the Committee by the internal or external auditors.</p>
<p>Reporting</p>	<p>Minutes of all ARAC meetings have been presented in Board packs.</p>

<p>The Chair of the Committee will report to the next meeting of the Board and the minute taker, who will be a member of the Executive, will circulate the minutes to the next Board meeting. The Chair will provide an annual report on the Committee’s work to the Board including a statement on the control environment. The Committee’s duties and activities will be disclosed in the Annual Report and Accounts.</p>	<p>The Internal Audit annual report was considered by the Committee at its January 2023 meeting.</p> <p>The Committee Annual report, as well as the ARB Annual Report and Accounts will be presented to the Board on 17 May 2023.</p>
<p>The Chair will attend the MHCLG forum of Audit and Risk Assurance Committee Chairs.</p>	<p>(NOTE: MHCLG is now DLUHC)</p> <p>The Committee Chair has attended all scheduled Chair’s Forum meetings in the reporting period.</p>
<p>Paper and Agenda</p> <p>The Executive shall circulate the agenda and papers five working days before each meeting. The Committee will regularly discuss a forward plan of its work, ensuring that proper attention is given to all matters in these terms of reference. The minute taker will circulate the minutes of all meetings to both the members and attendees of the Committee, once they have been approved by the Chair.</p>	<p>This has been complied with throughout the reporting period.</p> <p>A draft 2023 work plan of the Committee was considered at its January 2023 meeting.</p>
<p>Conflicts</p> <p>Any member or attendee of the Committee who becomes aware of a potential conflict of interest relating to matters being discussed by the Committee should give prior notification to the Chair or if this is not possible, declare this at the meeting and, where necessary, withdraw during the discussion of the relevant agenda item.</p>	<p>There is guidance in place around conflicts of interest.</p> <p>Conflicts are also included at the start of every agenda.</p>

Audit and Risk Assurance Committee Terms of Reference

1. Purpose

The Audit and Risk Assurance Committee is a Committee of the Board and is responsible for carrying out the duties set out in the terms of reference. Subject to any restrictions prescribed by the Act or the Rules of the ARB, the Committee is authorised by the Board to determine any matter within its terms of reference. The Committee supports the Board and ARB's Accounting Officer in their responsibilities for risk management, control and governance by reviewing and challenging the comprehensiveness, reliability and integrity of assurances.

2. Duties

The Committee will:

- 2.1 **Review** the findings of the Annual Audit from the External Auditors and report to the Board on the process and outcomes.
- 2.2 **Provide advice** to the Board regarding the risk management strategy, internal and governance controls.
- 2.3 **Scrutinise, monitor and provide assurance** to the Board in relation to risk management and internal controls.
- 2.4 **Agree** the organisation's, accounting policies, Fraud and Bribery, Whistleblowing and Data Protection Policies
- 2.5 **Appoint, reappoint or remove** the external auditors, internal auditors and investment broker.
- 2.6 **Review** the risks relating to the ARB's investments.
- 2.7 **Agree** the annual internal and external audit programme.
- 2.8 **Receive** Internal audit reports and **review** the actions taken by management to implement the recommendations.
- 2.9 **Review**, annually the Committee's adherence to its terms of reference and **provide** regular reports to the Board.
- 2.10 **Collectively** discuss and identify any development needs that may arise on an annual basis.

3. Authority

- 3.1 The Board and ARB's Accounting Officer authorise the Committee to investigate any activity within its terms of reference and to access any records, staff and physical properties deemed necessary to assist the Committee to carry out its duties.

3.2 The Committee can where necessary, decide to obtain, in consultation with ARB's Accounting Officer and/or the Board Chair, external professional advice on any particular issue.

3.3 The Chair of the Committee shall, where necessary, have confidential access to the ARB Accounting Officer and/or the Director of Resources.

4. Membership

4.1 The members of the Committee shall be appointed by the Board and shall consist of

- Two lay and two architect Board members. One of the lay members will be appointed as Chair.
- One additional external member to supplement the Committee's skills base and/or provide an additional independent perspective.

4.2 The Chair of the Committee should have recent significant and relevant financial and/or audit qualifications and experience.

4.3 Regular attendees at the Committee will include:

- ARB Chief Executive and Registrar/Accounting Officer
- Director of Resources
- Finance Lead
- Risk Lead
- External Auditors
- Internal Auditors
- Other members of the staff (on invitation)
- Minute taker

4.4 The Committee may ask any other member of staff, or such others as may be appropriate, to attend to assist it with its discussions on any particular matter.

5. Quorum

5.1 The quorum of the Audit and Risk Assurance Committee shall be three members of the Committee.

6. Meetings and Procedures

6.1 The Committee will normally have at least four scheduled meetings per year. These should align with key points in the financial and governance calendar.

6.2 The Internal Auditors and/or External Auditors will normally be invited to meet with the Committee in private as well as attend for items where required as part of the agenda.

6.3 External auditors or internal auditors may raise any issues directly with the Chair of the Audit and Risk Assurance Committee or request a meeting with the Committee at any time.

7. Reporting Requirements

7.1 A draft of the minutes will normally be circulated to the Chair of the Committee for initial approval within five working days of the meeting taking place. The Chair will normally

approve the draft minutes within a further five working days. The Chair-approved minutes will then be circulated to members of the Committee (and any attendees as appropriate) as a draft before they are presented at the next Committee meeting for formal approval. The minutes will be presented for noting at the next Board meeting whether they are draft or have been formally approved by the Committee.

- 7.2 The Chair of the Committee will provide an annual report on the Committee's work to the Board including a statement on the control environment. The Committee's duties and activities will be disclosed in the Annual Report and Accounts.
- 7.3 The Chair of the Committee, or nominated alternate, will attend the Sponsoring Government Department's forum of Audit and Risk Assurance Committee Chairs.

8. Papers and Agendas

- 8.1 The Executive shall circulate the agenda and papers no less than five working days before each meeting.

9. Declarations and Conflicts of Interest

- 9.1 Declarations of Interest must be made in line with ARB's Declarations and Conflicts of Interest Policy. In line with ARB's policy, any member or attendee of the Committee who becomes aware of a potential conflict of interest, relating to matters being discussed by the Committee, must give immediate notification of that interest to the Governance Team if they become aware of it prior to the meeting; or must notify the interest at the meeting if they become aware of an interest once the meeting has commenced in line with ARB's policy.

Approved by ARB Board

7 December 2022