



Architects Registration Board

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Annex A

Audit Committee Terms of Reference

Purpose

The purpose of the Audit Committee is to assist the Board with its oversight functions. It will review the system of internal control and management of risks, the financial reporting process and the audit process.

Membership

- The members of the Audit Committee shall be appointed by the Board and shall consist of no fewer than three Board members comprising: the Chair of the Committee, plus at least one elected member and one appointed member.
- The Chair of the Committee will not be the Chair or Vice Chair of the Board. The Chair or one other member should have recent significant and relevant financial/audit experience.
- The Board may also appoint ~~one~~additional external members to supplement the Committee's skills base if necessary (co-opted members tenure should not exceed 12 months).
- A staff member shall act as secretary to the Committee.

Meetings and Procedures

- The Committee will meet at least three times a year.
- The Chair of the Audit Committee can call additional meetings at any time, giving a minimum of fourteen days' notice.
- The quorum of the Committee shall be two. Both members in attendance must be Board members.
- Members of the Management team may attend all or part of the meetings at the request of the Committee.

- The external auditors may attend all or part of the meetings at the request of the Committee and will normally attend at least one meeting per year.
- The internal auditors will be invited to attend all meetings of the Committee.
- 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.
- The Committee shall have meetings or discussions at least once per year with the internal and external auditors without members of the Management team being present.
- Meetings of the Committee shall be minuted and submitted to the Board. Minutes will be placed in the open session of the Board, unless there are confidential matters which would necessitate the minutes being placed in the confidential session of the Board.
- The Committee should review, and where necessary recommend to the Board, amendments to its Terms of Reference.

Roles and Functions

After consultation with management and the external auditors, the Committee will agree with the internal auditors a rolling programme of reviews, which may extend beyond a year. The Committee will ensure co-ordination between internal and external auditors and will make recommendations to the Board concerning the resourcing of that function.

The Committee will carry out its review functions on behalf of the Board, and report to the Board on the findings and progress of the implementation of agreed recommendations, where appropriate, in the following areas:

- Review the adequacy and effectiveness of ARB's systems of internal control, including its arrangements for risk management, fraud detection and corporate governance processes including securing economy, efficiency and effectiveness (value for money).

- Review and advise on the statements to be included in the annual report concerning internal controls and risk management, and where appropriate make recommendations to the Board for approval.
- Advise the Board on: the consistency of, or any changes to, the accounting policies and practices; compliance with the Government's reporting requirements and appropriate accounting standards; any issues arising from its review of the Statement of Internal Control and major matters of judgment relating to the Annual Financial Statements.
- Review the risks relating to the ARB's reserves policy on a biennial basis and recommend to the Board any changes to the policy.

External Audit

- Advise and make recommendations to the Board on the appointment, re-appointment, resignation and dismissal of external auditors.
- Determine the level of remuneration of the external auditors within the budget set by the Board.
- Review with the external auditors the scope and nature of the annual external audit.
- Review the independence, effectiveness and performance of the external auditors.
- Review the findings of the annual audit and report to the Board on the process and outcomes.
- Monitor, within an agreed timescale, the implementation of the agreed audit-based recommendations.

Internal Auditors

The Committee will:

- Make decisions in relation to the appointment, re-appointment, resignation and dismissal of internal auditors.
- Determine the remuneration of the internal auditors within the budget set by the Board.
- Review and agree with the internal auditors the scope and nature of the annual internal audit work plan.
- Review the independence, effectiveness and performance of the internal auditors in the context of ARB's overall risk management system.
- Review the findings of the internal audit work and report annually to the Board on the process and outcomes.
- Monitor, within an agreed timescale, the implementation of the agreed audit recommendations.

Reporting

- The Committee will submit an annual report to the Board on its work.
- The Committee's minutes will be submitted to the Board for noting.