



| | | | |
|---------|------------------------------------|-----------------|-----------------|
| Subject | Audit Committee Terms of Reference | | |
| Status | Open | | |
| Purpose | For Decision | | |
| From | Registrar | | |
| History | Parent Committee | First Submitted | Revision Number |
| | N/A | 11/02/2016 | N/A |

If you have any enquiries on this paper, please contact Karen Holmes on 020 7580 5861

1. Purpose

To amend the Committee's Terms of Reference to allow the co-option of more than one additional member.

2. Recommendations

- i. It is recommended that the Board consider and agree the amendments to the Audit Committee's Terms of Reference as shown in [Annex A](#).

3. Terms of Reference

The Committee should review, and where necessary recommend to the Board, amendments to its Terms of Reference.

4. Open

5. Contribution to the Board's Purpose and Objectives

In delivering the Act, ARB's objectives are:

Protect the users and potential users of architects' services and to support architects through regulation.

The work of the Audit Committee supports all of the Board's purpose and objectives by ensuring that ARB's systems of internal control are appropriate.

6. Key Points

- i. At least annually the Committee considers its Term of Reference, to ensure they remain fit for purpose. In March 2015 the Committee decided not to amend its Terms of Reference, however as the Board approaches a period of considerable change in terms of potential new Board and Committee members, the Committee considered, in line with discussions that have taken place at previous Board meetings, if they needed to amend the Terms of Reference to facilitate any transitional arrangements. The reason for the proposed amendment is to ensure

maximum membership flexibility during the forthcoming period of uncertainty.

- ii. The Committee's current Terms of Reference enable the Committee to co-opt an external member on to the Committee in the event that the Committee determines supplementary skills are required. The proposed amendment to the Committee's Terms of Reference would enable the Committee to co-opt additional members, but does not specify a number. The amendment may be particularly helpful during the first half of 2016, when the current Chair of the Audit Committee's tenure expires and both architect members of the Committee will also depart.
The quorum of the Committee remains the same, three members, all of which are Board members.
- iii. The Committee's Terms of Reference have also been reviewed against the HM Treasury's Audit and Risk Assurance Committee Handbook April 2013 to ensure they reflect best practice.

The HM Treasury Handbook states that co-opted members should not sit on the Committee for longer than a year.

The suggested amendments to the Committee's Terms of Reference reflect the Treasury's handbook. In May 2016, when the Committees are populated for 2016/2017, based on the then Board's skills mix, a view will be taken as to whether co-opted members to the Audit Committee will be required to supplement the skills mix.

7. Risk Implications

Having in place Terms of Reference that allows membership flexibility during the forthcoming period of change, mitigates the risk that that the Committee cannot discharge its duties.

8. Resource Implications

The support requirements of the Committee are built in to the current resource provision. Any increase to the overall size of the Committee will increase the running costs, although it is acknowledged that additional members will not be required over a long period of time.

9. Communication

The Committee is committed to ensuring it delivers maximum value and support to the Board in its oversight and assurance role. Ensuring the Committee can discharge its duties is paramount.

10. Growth Duty Impact

N/A.

11. Equality and Diversity Implications

It should be noted that the current gender balance of the Committee is 3 female members and 1 male member. The gender balance is acknowledged, as is the need to ensure we have the correct mix of elected and appointed members, alongside the appropriate skills to be a member of the Committee.

Once the new members of the Board are either appointed or elected, a skills audit will be taking place. The gender balance of Committee will also be considered when making recommendations to the Board on who should sit on each Committee.