

Audit and Risk Assurance Committee

Terms of Reference

(Agreed by Board 24 March 2025)

The Board has established an Audit and Risk Assurance Committee to support them in their responsibilities regarding issues of risk, control and governance and associated assurance.

1.0 Membership

The Committee and its Chair shall be appointed by the Chief Commissioner, from among the Board members. The Committee consists of three Board Members plus an Independent External member also appointed by the Chief Commissioner, as set out in Annex 2. The Audit and Risk Assurance Committee will be provided with a secretariat function by Commission admin staff.

2.0 Reporting

- The Audit and Risk Assurance Committee will formally report to the Board and Accounting Officer after each meeting.
- The Audit and Risk Assurance Committee will provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.
- Minutes of the meetings will be circulated to all Board members for approval for publication and copied to DfC as sponsor department, Head of Internal Audit and NIAO.
- The Audit and Risk Assurance Committee will consider and recommend to Board the Accounting Officer's quarterly assurance statement for submission to the sponsor department.

3.0 Responsibilities

The Audit and Risk Assurance Committee will advise the Board and Accounting Officer on:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and, timing permitting, management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit – the annual internal audit plan will be approved by the Board and the

Committee will consider whether any subsequent amendments to the plan in-year require Board approval;

- adequacy of management response to issues identified by audit activity, including external audit's Report to Those Charged with Governance;
- assurances relating to the management of risk and corporate governance requirements for the organisation, including regular review of key policies, and occasions when these policies have been used during the year;
- anti-fraud policies, concerns about the Commission processes, and arrangements for special investigations;
- review of cyber risk
- regular review of the budget and any conditions attached to major business cases.

The Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

4.0 Rights

The Audit and Risk Assurance Committee may:

- co-opt additional members (in addition to the Independent member) for a period not likely to exceed one year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

5.0 Access

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Assurance Committee.

6.0 Meetings

- The Audit and Risk Assurance Committee will meet at least four times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings, as they deem necessary;
- A minimum of two members of the Audit and Risk Assurance Committee will be present for the meeting to be deemed quorate;
- Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, the Head of Corporate Services, Head of Internal Audit, a representative of External Audit, and an observer from the Department for Communities;

- The Audit and Risk Assurance Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;
- The Audit and Risk Assurance 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. This will be done at least once per year, when members of the committee will meet with both internal and external auditors without staff present;
- The Board or the Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

7.0 Information requirements

For each meeting the Audit and Risk Assurance Committee will be provided (one week in advance of the meeting) with:

- a report summarising any significant changes to the organisation's strategic risks and a copy of the strategic/corporate Risk Register;
- management assurance reports;
- reports on the management of major incidents, control enhancements to address potential weaknesses, and lessons learned.
- an update report on the implementation of audit recommendations
- a budget update
- a report reviewing any conditions attached to business cases and providing information on single tender actions
- a report on any fraud and concerns about the Commission incidents

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

- a progress report from the Head of Internal Audit summarising:
 - work performed (and a comparison with work planned);
 - key issues emerging from the work of internal audit;
 - management response to audit recommendations;
 - changes to the agreed internal audit plan;
- a progress report from the External Audit representative summarising work done and emerging findings and an annual audit plan;
- proposals for the terms of reference of internal audit / the internal audit charter;
- the internal audit strategy and annual plan;

- the Head of Internal Audit’s Annual Opinion and Report;
- quality Assurance reports on the internal audit function;
- the draft accounts of the organisation;
- the draft Governance Statement;
- a report on any changes to accounting policies;
- external Audit’s Report to those Charged with Governance;
- a report on co-operation between internal and external audit; and
- the organisation’s Risk Management strategy.

Annex 1

Audit & Risk Committee skills requirements

As recommended in the Treasury *Audit Committee Handbook*, members of the Audit & Risk Committee should, between them, possess skills and knowledge in all the following areas:

- Accounting
- Risk management
- Knowledge of CCNI’s legal role as regulator
- Experience of managing similar sized organisations
- Understanding of the wider environment in which CCNI operates
- Detailed understanding of the government environment and accountability structures

Annex 2

Current membership

Hugh McKeag (Chair)

Alan Hunter

Leanne McCullough

Caron Alexander (Independent member appointed until 28 February 2026)