



## CAFCASS AUDIT AND RISK ASSURANCE COMMITTEE

### TERMS OF REFERENCE

#### 1. Constitution

- 1.1. The Board hereby resolves to establish a Committee of the Board to support them in their responsibilities for issues of risk, control and governance and associated assurance to be known as the Audit and Risk Assurance Committee.
- 1.2. The Audit and Risk Assurance Committee will carry out the regulatory functions of an Audit Committee for Cafcass.

#### 2. Membership

- 2.1. The Chair and members of the Audit and Risk Assurance Committee shall be Board members and shall be appointed by the Board. The Committee shall consist of five members and the Chair shall not be the Chair of the Board. The Committee may co-opt up to two external members with relevant expertise.

#### 3. Meetings

- 3.1. The Audit and Risk Assurance Committee shall meet at least four times a year. The Chair of the Committee may convene additional meetings if they are deemed necessary. A minimum of three members of the Committee will be present for the meeting to be deemed quorate.
- 3.2. The Chief Executive, in the role as Accounting Officer, the Director of Resources, and a representative from the Cafcass Sponsorship Unit, the Head of Internal Audit, and the National Audit Office will normally attend meetings of the Committee.
- 3.3. The Committee may ask other staff to attend to assist with its discussions on a particular matter.
- 3.4. The Committee may ask all of those who normally attend but who are not members to withdraw to facilitate frank and open discussion on any particular matters.
- 3.5. The Accounting Officer (or Board) may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 3.6. Board members who are not members of the Committee will have the right of attendance. The Board and Committee Administrator will circulate minutes of the meetings of the Committee to all members of the Board.

#### 4. Access

- 4.1. The Head of Internal Audit and the representative(s) of the external audit office will have free and confidential access to the Chair of the Audit and Risk Assurance Committee as required.

#### 5. Reporting

- 5.1. The Chair of the Audit and Risk Assurance Committee will formally report back to the Board after each meeting.

#### 6. Responsibilities

- 6.1. The Audit and Risk Assurance Committee is an advisory body with no executive powers. It will advise the Board on:
  - Arrangements and processes for the management of risk, organisational systems, internal controls and governance, that it considers appropriate in helping the Board discharge its duties.
  - Accounting policies, the accounts, and the annual report for the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and the management's letter of representation to the external auditors.

- Planned activity and results of both internal and external audit and the arrangements for their implementation.
- Adequacy of management response to issues identified by audit activity, including external audit's management letter.
- Assurances relating to the corporate governance requirements for the organisation, ensuring Cafcass complies with all relevant legislation, regulations and good practice.
- Proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services.
- Establishment of an effective framework for accountability for the organisation and compliance with that framework.
- Arrangements for securing value for money throughout Cafcass.

6.2. The Committee is authorised to obtain professional advice if it considers this necessary.

## **7. Information requirements**

7.1. The Audit and Risk Assurance Committee will be provided with, but not limited to, the following progress reports:

### **Chief Executive/Cafcass Director of Resources/Corporate Strategist:**

- Draft annual report and accounts pre-external audit and summary explanation
- Progress on the annual Governance Statement and summary and stewardship reports from risk owners
- Management responses to internal and external audit recommendations
- Details of unresolved audit recommendations
- Quarterly update of the risk register to capture emerging risks or any changes to the key risks
- Updates on the status of Ofsted Inspections
- A report on any proposals to tender for audit functions
- Quality Assurance reports on the internal audit function
- A report on any changes to accounting policies
- A report on any changes in regulatory environment that may affect ALBs

### **National Audit Office:**

- Annual Strategy
- Interim management report
- Progress report from external audit representatives summarising work done and the emerging findings
- Final management report
- Certificate and report from the Comptroller and Audit General

### **Internal Audit Provider:**

- Proposals for the terms of reference for internal audit
- The internal audit strategy and periodic plan
- The Annual Report and opinion of the Head of Internal Audit
- Work performed (and a comparison with work planned)
- Key issues emerging from internal audit work
- Changes to the annual audit plan
- Any resource issues affecting the delivery of the internal audit objectives
- Progress report with copies of relevant internal audit reports

**The terms of reference were previously reviewed by the Audit and Risk Assurance Committee in May 2020.**