

## **COMPANIES HOUSE AUDIT COMMITTEE TERMS OF REFERENCE**

### **An Executive Agency of the Department for Business Innovation and Skills (BIS)**

#### **1. Introduction**

Companies House Steering Board has established the Audit Committee as a sub-committee, to assist and advise the Accounting Officer on audit, corporate governance, risk management and internal control issues across the business. The Committee supports the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and reviews the reliability and integrity of this assurance. The Committee acts in a non-executive advisory capacity.

#### **2. Membership**

Members of the Audit Committee comprises of not less than three Non-Executive Board Members of the Companies House Steering Board. The Committee is properly constituted when two or more of the Non-Executive Board Members are in attendance. All members of the committee are appointed by Companies House under the principles of the Public Appointments Notice. A list of the current committee members are shown in the Annex to these Terms of Reference. The Chairman of the Steering Board will not be a member of the Audit Committee but may attend any meeting if invited.

The Audit Committee will be provided with a secretariat function by the Secretariat Team within Companies House.

#### **3. Reporting**

**3.1** The Committee will promote confidence in the system of internal control by bringing an independent element and guidance on financial and other internal controls.

**3.2** It will provide an objective assessment of year-end financial statements and related reports and provide advice to the Accounting Officer with respect to the approval of the statements.

**3.3** The Audit Committee reports its activities and findings to the Steering Board as appropriate. Minutes will be sent to all Steering Board members after each meeting and an oral report will be provided at each Steering Board meeting.

#### **4. Responsibilities**

**4.1** To assist the Accounting Officer in carrying out his audit, internal control and corporate governance obligations, by providing a forum for discussion of internal and external audit related matters.

**4.2** To contribute independent guidance on financial management and control and to monitor and advise on measures undertaken to manage these in accordance with best practice.

- 4.3 To provide independent guidance and assurance to the Accounting Officer on the organisation's capacity and effectiveness to manage risk as measured against best practice; and to keep a watching brief of the movement of risk through the quarterly review of the organisation's key risks and to review anti-fraud policies, whistle-blowing processes and arrangements for special investigations.
- 4.4 To receive reports from Internal Audit (and other assurance-providing services) and advise on the adequacy of management's response to issues identified by audit activity from time to time.
- 4.5 To advise and review the form and content of the annual financial statements.
- 4.6 Audit Committee Chairman (or if not available another member of the Audit Committee) to chair the final Corporate Governance Submission sign off meeting in March on an annual basis.
- 4.7 To review and agree the content of the Governance Statement.
- 4.8 To act as a central reference point and pro-actively steer internal audit, external audit, and the National Audit Office.
- 4.9 To meet internal and external auditors independently if considered appropriate.
- 4.10 To review the committee's own performance on a regular basis adhering to good practice procedures.
- 4.11 To review the committee's Terms of Reference on an annual basis.
- 4.12 Agree the Internal Audit Plan annually.

## **5. Access**

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

## **6. Meetings**

- 6.1 There will be a minimum of three separate meetings, but normally four meetings are held during each financial year. Such meetings may be held in Cardiff, Edinburgh or Belfast, dependent on the most convenient and cost-effective location.
- 6.2 Companies House will meet reasonable travel costs for the Non-Executive Board Members.
- 6.3 A minimum of two of the three permanent members will be present for any meetings to be deemed a quorum.
- 6.4 The Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.
- 6.5 The Audit 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.

- 6.6** The Board or the Accounting Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 6.7** Each meeting will be minuted. Minutes will be produced and circulated for comment and agreement within ten working days of each meeting and thereafter circulated to the Steering Board. These minutes will also be published on the Companies House intranet site for all staff to view, if they so wish.
- 7. Information Requirements**  
The core agenda items are given in the attached Rolling Programme.

**Companies House**  
**April 2012**

## **Annex to Audit Committee Terms of Reference**

**The Audit Committee will be chaired by:**

Peter Wyman

**Other non-executive current non-executive members of the committee are:**

Nicki Alberry

Sheila Doyle

**The following individuals may attend meetings by invitation:**

Tim Moss, Chief Executive and Accounting Officer for the Agency

Mike Nash, Head of Finance

Jon Whitfield, Head of Internal Audit,

Director, NAO and Audit Engagement Principal

Others as appropriate to provide specialist skills, knowledge and experience

## AUDIT COMMITTEE ROLLING PROGRAMME 2012

<b>Regular agenda items</b>	<p>Internal Audit Work Programme</p> <ul style="list-style-type: none"> <li>• Progress update</li> <li>• Specific issues/reviews</li> <li>• Review of programme</li> </ul> <p>Risk Register, risk management and attention to high level risks  Independence of members  Key Risk Item (every September)  Information Asset Management (every September)  External Audit Planning Report (every December)  Business Continuity (every December)  Private meeting to be held between Non-Executive Board Members and External Auditors immediately following the main meeting</p>
<b>Regular items for information</b>	<p>Rolling Programme  Incident Report</p>
<b>Date of meeting</b>	<b>Other topics for discussion</b>
<b>Wednesday 29 February 2012, Cardiff</b>	<p>Arrangements for Preparation of Accounts  Accounting Policy Review  Internal Audit Proposed Program of Work  Report on External Audit Strategy  High Level Risk Assurance on Fraud</p>
<b>May 2012 Ex-Committee</b>	<p>Annual Report and Accounts  Recommendation to Accounting Officer</p> <ul style="list-style-type: none"> <li>• Annual Accounts</li> <li>• Governance Statement</li> <li>• Internal Audit Assurance to the Accounting Officer</li> <li>• Annual Report Text</li> <li>• Review of Accounting Policies</li> </ul> <p><b>Note – a short meeting of NEDs, Gareth Jones, Simon Morgan and Mike Nash will be held on 23 May to discuss the above.</b></p>
<b>Wednesday 29 June 2012 Cardiff</b>	<p>To advise Accounting Officer on the final Annual Report and Accounts  External Auditor’s findings and management letter issues</p>
<b>Wednesday 12 September 2012, Cardiff</b>	<p>Key Risk Item  Information Asset Management</p>
<b>Wednesday 5 December 2012, Cardiff</b>	<p>External Audit Planning Report for 2012/13  Year end timetable  Review of Terms of Reference for the Audit Committee  Audit Committee practices and procedures; review of effectiveness (45 minutes set aside prior to meeting for members to complete questionnaires, include Andrew Summers in this meeting)</p>