

Terms of Reference	CITB AUDIT AND RISK COMMITTEE		
Section I: Committee Identification			
Lead staff member	David Partington (Head of Corporate Assurance)		
Members: (name, organisation, position)	<ol style="list-style-type: none"> 1. Diana Garnham - Chair (Board Trustee/Consultant) 2. Maureen Douglas (Board Trustee/Group HR Director, Forster Group Ltd) 3. Richard Plumb (Co-optee/Head of Risk & Assurance, Ordnance Survey Ltd) 4. Chris Richardson (Co- optee/Financial Controller, Wates) 	In attendance	<ul style="list-style-type: none"> + Accounting Officer (Sarah Beale) + CFO & Corporate Performance Operations Director + National Audit Office (NAO) representative + Department for Education (DfE) representative + Board Secretary + Other Invitees as required
Start date	November 2019	Performance review date	November 2020

Section II Purpose and Performance

A. General Purpose

1. Supporting the Board's strategic leadership, with corporate oversight of strategy and performance.
2. Reviewing and, as necessary, making recommendations to the Board about matters of strategic business.
3. The Audit and Risk Committee is the governance group charged with independent assurance on the adequacy or risk management framework, the internal control environment and the integrity of financial reporting. HM Treasury's Audit and Risk Assurance Guidelines, National Audit Office (NAO) frameworks and other legislative and

B. Specific Purpose Overview



C. Specific scope and objectives:

1. The Committee is charged with ensuring that the Board and the Accounting Officer gain the assurance they need on the adequacy and effectiveness of CITB's arrangements for risk management, governance and control. Within this, the Committee has particular engagement with the work of the Internal Audit, the work of the External Auditor and financial reporting issues.

2. In particular, the Audit and Risk Committee will advise and may make recommendations to the Board and Accounting Officer on:
 - The strategic processes for risk, control and governance and the Governance Statement;
 - Annual Report and Accounts;
 - 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 management's letter of representation to the external auditors;
 - The planned activity and results of both internal and external audit;
 - Adequacy of management response to issues identified by audit activity, including external audit's management letter;
 - Assurances, including from outsourced or shared service providers, relating to the management of risk and Board Secretary requirements for the organisation;
 - Counter-fraud and bribery policies, whistle-blowing processes, and arrangements for special investigations; the Committee Chair will be the nominated Board member with accountability for Counter Fraud.
 - Consider other topics, as defined by the Board.

3. The Audit and Risk Committee may procure specialist external advice at the expense of the organisation, subject to budgets agreed by the Board.

D. Committee performance

The CITB Board is committed to a performance excellence framework and the evaluation process will be common to Board effectiveness framework, with member input. The Board will review outcomes. The Audit and Risk Committee will participate in the Board's annual effectiveness review of the Committee.

Section III: Membership and Committee working

A. Membership Criteria:

Criteria 1: Board Accountability: At least two members, including the Chair, are required to be non-executive board members (Trustees).

Criteria 2: Independence, Objectivity, Understanding and Conduct: Members of the Board Committee are required to operate for the benefit of CITB, independent of any affiliation to their companies or other associated bodies, being objective in their perspective and decision-making. Each member should have a good understanding of the objectives and priorities of the organisation and of their role as an Audit and Risk Committee member. Members will conduct themselves in line with the Board Code of Conduct including disclosure of interests.

Criteria 3: Skills: The Audit and Risk Committee should corporately own an appropriate skills mix to allow it to carry

out its overall function.

It is essential that two members of the committee have an audit, assurance and/or accounting-financial qualification. Members should have the skills and experience to competently analyse the accounting statements and understand good financial and business management disciplines.

Criteria 4: Effectiveness: Members should continue to develop their skills and knowledge and to be able to work collaboratively. Members will engage in a review of the effectiveness of the Committee and their contribution to this.

Criteria 5: Tenure: Terms of office will be in line with -

- Trustees - the remaining period of their tenure as Trustee
- Members - normally up to four years, renewable at the invitation of the Board
- Co-optees – normally up to two years, renewable at the invitation of the Committee.

B. Committee working and meeting arrangements

Committee working

1. 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 Committee.
2. Any member who fails to attend two consecutive meetings, without the permission of the Chair, may be deemed to have resigned and a replacement will be sought by Committee. The use of alternates or proxies to attend meetings on behalf of Committee members is prohibited.

3. The Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter. The 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.
4. Members may consult, individually and collectively, with the Chair on any matters of a confidential nature.

Meeting arrangements

1. The Committee will meet not less than four times per accounting year. Additional meetings may be convened by the Chair when deemed necessary. The Board or the Accounting Officer may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice. Members may, on occasions with the permission of the Chairman, participate in a meeting by means of a conference telephone, video conferencing facility or other similar communicating equipment.
2. The Board Secretary shall provide advice, guidance and administration services to the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, and any other person required to attend no later than five working days before the date of the meeting. Supporting papers and minutes shall be sent electronically to committee members and to other attendees.

Section IV: Rules of Engagement and Code of Conduct

A. Decision-Making Methodologies:

1. In line with the remit of the group, decisions will be normally arrived at by a consensus of those members present and in accordance with the authorities laid down by the Board.

B. Reporting and Accountability:

Chair

1. The Chair shall preside at all meetings of the Committee at which he/she shall be present, but if at any meeting the Chair be not present within ten minutes of the time appointed for holding the meeting, the members present shall choose one of their number to be the Chair of the meeting.

Quorum

2. Meetings will be quorate when two members (to include one Trustee) shall be present. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee

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Communication and reporting

4. Terms of reference should be publicly available and the schedule of its agreed delegations from the Board should be documented in the Scheme of Delegation.

5. The Audit and Risk Committee should ensure that it has effective communication with all key stakeholders, for

example, the Board, Head of Internal Audit, the External Auditor, the Risk Manager and other relevant assurance providers.

6. Minutes of Committee meetings will be made available to the Board and will be published in Convene. The Chair may, as appropriate, present a summary report of key discussions, decisions and outcomes to the Board.

7. The Committee is accountable to the Board.

C. Declarations and conflict of interest:

1. Committee members are required to make an annual declaration of interests in accordance with the CITB Code of Practice on the Declaration of Interests.

2. During the course of a meeting, if a conflict of interest arises in relation to matters under consideration, the member concerned must withdraw from the meeting, or part thereof, as appropriate. This will be recorded in the minutes.

D. Code of Conduct

1. Committee members and others in attendance at Committee meetings shall be bound by CITB policies relating to information designated as confidential, subject only to the organisation's compliance with statutory obligations.

2. The Chair shall be responsible for ensuring that the business of a meeting is conducted in a courteous and professional manner and shall, taking the advice of the Board Secretary, have the right to adjourn a meeting or temporarily exclude any individual or individuals whose conduct falls below acceptable standards.

E. Evaluation			
1. The Audit and Risk Committee's terms of reference will be reviewed annually to reflect best practices, or as required by CITB or DfE.			
Section V: Good Governance			
<p>1. Agenda: Unless otherwise agreed, notice of each meeting with an agenda of items to be discussed, shall be forwarded to each member of the committee, and any other person required to attend no later than five working days before the date of the meeting.</p> <p>2. Minutes: The proceedings and decisions of all meetings of the Committee, including recording the names of those in attendance, will be recorded and distributed to Committee members and the Board.</p> <p>3. Terms of Reference: The Board Secretary will support the Committee in undertaking an annual review of the operation and functioning of the Committee, with particular reference to the extent to which the Committee has discharged its roles and responsibilities and has the right skills set to work effectively and collaboratively. Where appropriate the review should make recommendations for improvements. A copy of the review report will be provided to the Board.</p>			
ToR approved by Board	Yes - approved Nov 2019	Copy sent to Board Secretary	Yes – 09.01.20

<p>1. Date for review of TOR /outcomes evaluation within 12 months of inception (as appropriate to remit)</p> <p>2. Board decision on renewal/revision of ToR</p>	<p>Aug 2020</p> <p>Nov 2020</p>
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