



**Comisiynydd
Pobl Hŷn
Cymru**
**Older People's
Commissioner
for Wales**

Audit and Risk Assurance Committee

Terms of Reference

Responsible Manager	Commissioner
Next Review Date	April 2026
Last Review Date	April 2025
Version	17.0

Audit and Risk Assurance Committee

The primary purpose of the Audit and Risk Assurance Committee (ARAC) will be to support the Commissioner by reviewing the comprehensiveness of the systems of assurances put in place to meet her Accounting Officer needs and reviewing the reliability and integrity of these systems.

In practice, members of the Committee review and challenge the assurances provided by the Commissioner's staff and by her internal and external auditors and advise her on corporate governance, risk management and internal control.

The Audit and Risk Assurance Committee operates in an independent advisory capacity, providing advice or guidance to the Commissioner on how well they are supported in decision making and in discharging their Accounting Officer obligations particularly in respect of Financial Reporting, Governance arrangements including risk management. Their duties include:

- key decisions on governance;
- ensuring that there is an adequate and effective risk management and assurance framework in place;
- delivery of the objectives of the organisation; and
- scrutinising the progress of the Commissioner against the delivery of the agreed objectives.

Equality and human rights are embedded throughout the work of the Commissioner and the organisation and this extends to ensuring a workplace that provides equality, dignity and respect.

Recruitment

Committee members are recruited through a fair and transparent recruitment process that will include an application process and an interview. Ordinarily, the recruitment panel will consist of the Commissioner, Chair of ARAC, Chief Operating Officer and the Head of Finance and Resources.

Committee members are remunerated for eight days work per annum.

Membership

The membership of the Audit and Risk Assurance Committee will consist of up to five independent and objective advisers who are not members of the Commissioner's permanent or seconded staff.

If appropriate, during a transition period of Committee members, there may be six advisers.

Two members must have financial knowledge and expertise to comply with HM Treasury requirements and one member must have recent cyber security expertise.

All members will be appointed for a four-year period. In agreement with the Commissioner, a member's term can be extended for up to another four years.

The Commissioner will appoint a Chair. The Chair may be one of the appointed members or recruited in addition to the existing members. In the absence of the Chair, the Commissioner will elect a Chair for the meeting.

Secretariat will be provided by the Senior Executive Assistant, or the Corporate Services Officer in their absence.

Code of Conduct

Each member of the Committee completes an annual code of conduct declaration that includes a declaration of interest section. Members must also provide a written update on any changes to declaration of interest as they arise.

The Commissioner's Code of Conduct incorporates the [Nolan Committee's Seven Principles of Public Life](#).

Conflicts of interest

At the commencement of each meeting, members are asked to declare any conflicts of interest and any additional work and or advice provided to the Commissioner.

Each member of the Committee should proactively declare any potential conflict of interest arising out of the work of the Commissioner. The Chair will then decide on an appropriate course of action with the member. For example, the member may be asked to leave the meeting whilst a particular agenda item is discussed.

Reporting

The Chair of the Audit and Risk Assurance Committee will provide the Commissioner with an Annual Report that includes a report on governance arrangements including internal control. The Annual Report will be agreed upon with Committee members and timed to support finalisation of the accounts and Governance Statement; the report will summarise its conclusions of the year.

Role and Responsibilities

The Committee will advise the Commissioner on:

- the strategic processes for risk management, control and governance;
- 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 the Accounting Officer's letter of representation to the Auditor General;
- 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 relating to the corporate governance requirements for the Commissioner's office;
- the annual review of the performance and effectiveness of Internal and External Audit;
- proposals for tendering for Internal Audit services; and
- anti-fraud policies, whistle blowing processes.

The Committee can investigate any matter within its Terms of Reference and have access to any employee or related information when it comes to carrying out their responsibilities.

The Commissioner may also ask individual Committee members to advise on strategic and other matters relating to her remit. In such circumstances, the members must not act for the Commissioner in an executive capacity.

The Chair will coordinate individual ARAC member reviews and collate this information to brief the Commissioner to inform improvements in Committee effectiveness. In addition to this, and as per HM Treasury requirements, the Committee will annually review its own effectiveness and report the results of that review to the Commissioner. Biannually, the Internal Auditors will review the Committee's effectiveness and report this to the Commissioner.

Rights

The Committee may, in exceptional circumstances, procure specialist ad-hoc advice, subject to budgets agreed by the Commissioner.

Access

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

Formal Meetings

The Committee will meet, formally, four times a year. The Chair may convene additional meetings as deemed necessary or if requested by the Commissioner.

Meetings will be held virtually or face to face, depending on the consensus of the Committee attendees.

At least half of the members (including a Chair) of the Committee will be present for the formal meeting to be deemed quorate, as well as at least two Officers from the Commissioner's Office.

Committee meetings will normally be attended by the Commissioner, the Chief Operating Officer, the Director of Policy, the Head of Finance and Resources, the Head of Internal Audit, and a representative of the Auditor General.

The Committee may ask any other officers 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.

An annual performance review will be undertaken with each Committee member, which will include the identification of training needs by the Chair and discussed with the Commissioner. The Commissioner will undertake the review with the Chair.

The agenda for meetings will normally be based on the Committee's forward look outlined in Appendix A. However, these agenda items may be subject to change.

Informal Meetings

In addition to the quarterly formal meetings, members are invited to attend up to four informal meetings a year. These meetings provide the Commissioner the opportunity to further utilise the Committee's varied expertise during in depth discussions on specific strategic areas or areas that carry a high degree of risk. These meetings also provide the Committee with the additional context and knowledge with which to assist the Commissioner in discharging her statutory functions.

Training

All ARAC members will have training and development needs that may be identified by the Commissioner, via annual appraisals between members and the Chair or on-going conversations between members and the Chair.

Those who have recently joined the committee will participate in induction training, to help them understand their role and the organisation.

Information requirements

Electronic papers for the Audit and Risk Assurance Committee will be provided to the members six working days before the scheduled meeting. For each meeting the Committee will be provided with:

- i) The minutes of the previous meeting
- ii) An update on Audit Wales' current and planned work, provided by the Auditor General's representative
- iii) Summary of Internal Controls Assurance Report, provided by the Commissioner's internal audit providers;
- iv) the strategic risk register;
- v) An update of performance against work plan

- vi) Governance reports including:
 - a governance report, that includes updates on incidents, which could include cyber, data breaches, FOI requests and near misses;
 - an organisation health report;
 - a communication report;
 - a finance report;
 - cyber update
 - a balance scorecard;
- vii) key policies for review;
- viii) report on the Commissioner's expenses; and
- ix) the gift and hospitality register.

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

- (i) a review of the Committee's effectiveness;
- (ii) Terms of Reference for the Audit and Risk Assurance Committee;
- (iii) a progress report from the Head of Internal Audit summarising work performed (and a comparison with work planned), key issues emerging from Internal Audit work, management response to audit recommendations, and any resourcing issues affecting the delivery of Internal Audit objectives;
- (iv) the Internal Audit Strategy and annual work plan;
- (v) the Head of Internal Audit's Annual Opinion and Report;
- (vi) Audit Wales' ISA260 and letter of representation;
- (vii) Audit enquiries to those charged with governance and management;
- (viii) the Annual Report and Accounts of the Commissioner;
- (ix) the draft Governance Statement;
- (x) the Estimate;
- (xi) detail of single tender actions;
- (xii) a report on any changes to accounting policies;
- (xiii) a report on any proposals to tender for audit functions;
- (xiv) a review of the effectiveness of Internal and External Audit services; and
- (xv) a review of Performance Audit reports produced.

Appendix A

Audit and Risk Assurance Committee Forward Look.

Date	Standing Items	Specific Items*
April	1. Declaration of interests 2. Internal Audit Reports 3. Update from Audit Wales 4. Update on Business Plan 5. Strategic Risk Register 6. Governance reports 7. Commissioner's Expenses 8. Gifts and Hospitality Register	The Committee's annual private meeting with internal and external auditors 1. Internal Audit Annual Report for the prior year 2. Internal Audit Strategy for the forthcoming year 3. Review of performance of internal audit 4. External Audit Strategy for forthcoming year 5. Annual Report from the Audit Committee to the Commissioner 6. Review of Committee's performance 7. Audit Committee Terms of Reference 8. Review of key policies: Raising concerns
July	1. Declaration of interests 2. Internal Audit Reports 3. Update from Audit Wales 4. Update on Business Plan 5. Strategic Risk Register 6. Governance reports 7. Commissioner's Expenses 8. Gifts and Hospitality Register	1. Audit of Financial Statements Report and Management Letter 2. Annual Accounts 3. Audit enquiries to those charged with governance and management 4. Review of key policies: Fraud and Anti-Money Laundering
Oct	1. Declaration of interests 2. Internal Audit Reports 3. Update from Audit Wales 4. Update on Business Plan 5. Strategic Risk Register 6. Governance reports 7. Commissioner's Expenses 8. Gifts and Hospitality Register	1. Review of performance of External Audit
Jan	1. Declaration of interests 2. Internal Audit Reports 3. Update from Audit Wales 4. Update on Business Plan 5. Strategic Risk Register 6. Governance reports 7. Commissioner's Expenses 8. Gifts and Hospitality Register	1. Review of key policies: Risk Management Strategy

*The order and frequency that these papers are presented to Committee is subject to change.