

Children's Hearings Scotland Board Paper

Agenda Item 2.2

Date of Meeting	21 st November 2011
Paper number	CHS1112-014
Title	Terms of reference of the Audit and Risk Management (ARM) Committee.
Purpose	The purpose of the paper is to ask the Board to approve the terms of reference of the ARM Committee.
Options	<ul style="list-style-type: none">• Approve or Reject the terms of reference of the ARM Committee.
Recommendations	The Board is recommended to: <ul style="list-style-type: none">• <u>Approve</u> the terms of reference of the ARM Committee.
Attachments	Appendix 1 - Terms of reference of the Audit and Risk Management Committee.
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Appendix 1

Proposed Audit and Risk Management Committee
Terms of Reference

1. Constitution

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Audit and Risk Management Committee.

2. Membership

- 2.1 There will be three members of the Committee appointed by the Board, not including the Chair of the Board.
- 2.2 One of the members will be appointed Chairman of the Committee by the Board. If he/she is absent from the meeting, the remaining committee members will appoint from amongst themselves a person to chair the meeting. All members will be appointed for a three year term, which can be extended for up to a maximum further three years.

3. Authority

- 3.1 The Committee is authorised by the Board to review and approve any activity within its terms of reference. In so doing, the committee is authorised by the board to co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge and experience, and/or to procure specialist ad-hoc advice at the expense of CHS, subject to budgets agreed by the Board.

4. Meetings and Quorum

- 4.1 The committee shall meet regularly at least four times in each financial year, to coincide with the important events in the year and before important decisions are made. The Chairman of the Committee may convene additional meetings as required.
- 4.2 Two members of the Committee will comprise a quorum for the transaction of business.

5. Attendance

- 5.1 Members of CHS staff will attend meetings as appropriate. The Chief Executive Officer and the Director of Finance and Corporate Services will be in attendance at each meeting.
- 5.2 The internal auditor and external auditor will attend meetings at the request of the Chair.

6. Administration

- 6.1 The agenda and meeting papers should be issued to members at least seven calendar days prior to the meeting unless agreed otherwise and in exceptional circumstances.

7. Secretarial

- 7.1 Committee secretary support will be provided by a member of the team of Director of Finance and Corporate Services.
- 7.2 The Secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.
- 7.3 Minutes of every Committee meeting shall be circulated to all members of the committee, and approved minutes referred to the Board.

8. Reporting

- 8.1 The Committee will report back to the Board after each meeting and will take directions from the board on general or specific action it should take.
- 8.2 The Committee shall report on its activities, to the extent that it can, without breaching confidentiality, in the CHS Annual Report and Accounts.

9. Responsibilities

- 9.1 The Committee shall advise the Board and Accountable Officer on the standards of financial control and corporate governance by:

Financial control and reporting

- consider CHS's annual financial statements prior to submission to the Board;
- review the effectiveness of CHS's financial and other control systems;
- consider CHS's policies on whistle-blowing and fraud and irregularity; and
- monitor CHS's arrangements to secure VFM, whether these are made via internal or external audit or other means.

Risk management

- consider and advise the Board on the adequacy of the arrangements for the assessment and management of risk; and
- monitor the CHS executive's management of the top level register of risks.

Internal audit

- consider and advise the Board on the annual and longer term operating plans for internal audit and the resourcing of the internal audit functions to deliver these plans;
- consider and advise the Board on internal audit reports and to monitor the implementation of approved recommendations; and
- monitor the effectiveness of internal audit.

External audit

- consider and advise the Board on the external audit reports and, where appropriate, report to the Board any issues from the external audit of CHS, and any matter that the external auditors bring to the attention of the Committee;
- monitor the implementation of approved recommendations; and
- monitor the effectiveness of external audit.

Legal and regulatory compliance

- consider and advise the Board on the adequacy of the arrangements for the management of CHS's compliance with legislation and regulation, focussing on data security, freedom of information and health and safety, and covering other aspects as part of CHS's risk management responsibilities.

Other

- Alerting the Board and, where necessary, Scottish Ministers to factors which might affect the ability of CHS to carry out its statutory functions and achieve its strategic objectives.

10. Review

- 10.1 The Committee terms of reference will be subject to annual review. Proposals for amendment to the terms will be submitted to the Board for formal approval.

