

Audit & Risk Assurance Committee Terms of Reference

Climate Change Committee
1 Victoria Street,
Westminster, London,
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w theccc.org.uk

The role of the Audit and Risk Assurance Committee ('ARAC') is to support and advise the Committee on Climate Change (the Committee), the Adaptation Committee ('Adaptation Committee') and the Accounting Officer ('AO') in relation to issues of risk, control and governance.

Membership:

The ARAC will comprise of no less than two members appointed either from the membership of the Committee and the Adaptation Committee or, with approval from our Sponsor Department (being the Department for Energy Security & Net Zero) an independent member.

Members will be appointed based on their experience and their appointment will be approved by the Chairs of the Committee on Climate Change and the Adaptation Committee.

ARAC Members will serve a term which aligns to the dates of their appointment to either the Committee or the Adaptation Committee or for a period of four years and may be appointed for two terms.

The Secretariat function will be provided by the Corporate Services team.

Reporting:

The minutes of the ARAC are a public document and available to members of the public upon request.

Responsibilities:

The ARAC will advise the Committee, Adaptation Committee and the AO on:

- the strategic processes for risk, control and governance and the Governance Statement
- 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 relating to the management of risk and corporate governance requirements for the organisation

- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations

Rights:

The ARAC may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the organisation.

Access:

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

Meetings:

The ARAC will meet four times a year. The Chair of the ARAC may convene additional meetings, as they deem necessary.

A minimum of two members of the ARAC will be present for the meeting to be deemed quorate.

ARAC meetings will normally be attended by the Accounting Officer, the Chief Operating Officer, Head of Internal Audit, and a representative of External Audit as well as representatives from the Department of Energy Security & Net Zero and the Department of Environment, Food and Rural Affairs.

The ARAC may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

The ARAC 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.

The Board or the Accounting Officer may ask the ARAC to convene further meetings to discuss particular issues on which they want the Committee's advice.

Information Requirements:

For each meeting the ARAC will be provided with:

- a copy of the corporate Risk Register
- a progress report from the Head of Internal Audit summarising:
 - work performed (and a comparison with work planned)
 - key issues emerging from the work of internal audit
 - management response to audit recommendations
 - changes to the agreed internal audit plan; and
 - any resourcing issues affecting the delivery of the objectives of internal audit

- a progress report (written/verbal) from the External Audit representative summarising work done and emerging findings; and
- reports on the management of major incidents, "near misses" and lessons learned.

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

- proposals for the terms of reference of internal audit / the internal audit charter
- the internal audit strategy
- the Head of Internal Audit's Annual Opinion and Report
- quality Assurance reports on the internal audit function
- the draft accounts of the organisation
- the draft Governance Statement
- a report on any changes to accounting policies; and
- external Audit's management letter