

Terms of Reference (ToR)

Purpose

1. The King's and Lord Treasurer's Remembrancer (KLTR) Chief Executive Officer (CEO), in his role as Accountable Officer (AO) for the KLTR Office has established an Audit Committee (AC) as a standing committee of the Advisory Board (Board).
2. The role of the AC is to support the AO and Board in overseeing and monitoring the KLTR's corporate governance, financial reporting, risk management and associated systems of internal control, providing assurance to the AO and Board on the efficacy and integrity of the arrangements, activities and processes in place.

Audit Committee membership

3. The AC consists of three independent, non-executive members, appointed by the CEO; one of whom will be appointed Chair. At least one member of the AC will have recent, relevant financial experience.
4. Appointment of non-executive members provides:
 - external perspectives and independent scrutiny
 - opportunities for constructive challenge, and
 - additional knowledge, skills, and expertise.
5. Meeting attendees include:
 - The KLTR
 - KLTR Chief Executive
 - KLTR Chief Finance Officer
 - KLTR Head of Governance
 - Director of Finance (COPFS)
 - External Auditors
 - 3rd Party Assurance provider (if appointed)
 - Other members of KLTR as required to present papers.
6. The Chair may invite attendees out with KLTR to attend meetings to assist with discussions on particular matters, or where their expertise is material in assisting the AC to meet its obligations.
7. The AC is provided with secretariat support from the KLTR Governance Team.

Appointments and tenure

8. The maximum term of office for AC members is four years or to their date of resignation or removal (whichever comes first).
9. A member's appointment may be terminated at any time during their term by one of the following ways:
 - a. Mutual agreement;
 - b. With one month's written notice provided by the KLTR Accountable Officer or KLTR Secretariat to the member; or
 - c. With three months' written notice provided by the member to the Chair of the AC.



Reporting

10. The AC will:

- provide a formal report in writing to the Board and AO after each meeting, which will include minutes of the last meeting and highlight any issues for escalation to the Board.
- provide the Board and AO with an Annual Report, timed to support the finalisation of the Annual Report and Accounts (ARA) and the governance statement, summarising its conclusions from the work it has done during the year.

Responsibilities

11. The AC will review and advise the AO and Board on:

- the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements: anti-fraud policies; whistle-blowing processes; and arrangements for special investigations
- development of the risk management policy and regular review of the key risk register and assurance framework
- 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, results, and effectiveness of both internal and external audit
- the adequacy of management response to issues identified by audit and assurance activity, including external audit's management letter/report or any other source of assurance
- the effectiveness of the internal control environment
- assurances relating to the corporate governance requirements for the organisation, and
- proposals for tendering or appointment of either internal or external audit services or for purchase of non-audit services from contractors who provide audit services, if applicable.

12. The AC shall periodically review its own effectiveness and report the results of that review to the Board and AO.

Rights

13. The AC may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge, and experience; and

- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Chief Executive Officer/Accountable Officer.

Access

14. The Chair of the AC shall have unrestricted access to the AO and KLTR staff relevant to the AC.
15. The Senior person of the 3rd Party assurance provider (if appointed) and representative of External Audit will have free and confidential access to the Chair of the AC.

Meetings

The AC will meet at least twice a year. As AC non-executive members also serve on the Board, AC meetings will be scheduled to take place directly after the Board meetings.

14. The AC Chair may convene additional meetings, as they deem necessary, or at the request of the AO or Board to discuss matters that they want the AC's advice on.
15. A minimum of two members of the AC must be present – either online or in person – for the meeting to be deemed quorate.
16. In the absence of the Chair, one of the other non-executive members will assume the role for the duration of the meeting.
17. The AC may ask any other officials of the KLTR Office to attend meetings to assist it with its discussions on any particular matter.
18. The AC may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of matters.
19. The AC will meet privately with the Internal and External Auditors and with the AO at least once a year.
20. AC members may also meet with officials out with scheduled meetings to gain a wider understanding of issues. Additional meetings may take the form of a deep dive review to enable the AC to look more closely at a particular area. These meetings will not be minuted and there will be no actions from these informal meetings. These meetings will be for information only or training and awareness.