



TERMS OF REFERENCE

Audit and Risk Assurance Committee of the UK Supreme Court.

CHAIR

- The Chair is the Finance Non-Executive Director, and the Deputy Chair is another Non-Executive Director.

MEMBERSHIP

- The members of the Audit and Risk Assurance Committee are:
 - Chair: Finance Non-Executive Director
 - Non- Executive Director
 - Independent External members:
 - *Representative from England and Wales*
 - *Representative from Scotland*
 - *Representative from Northern Ireland*
- The Audit and Risk Assurance Committee will be chaired by one of the Non-Executive Board members.

REGULAR ATTENDEES

- The following below are not members but will be regularly invited to the Audit and Risk Committee:
 - The Chief Executive of UKSC
 - Director Corporate Services UKSC
 - Director of Finance UKSC
 - National Audit Office (one or more representative)
 - Government Internal Audit Agency (one or more representative)

BOARD SECRETARIAT

- The Business Manager to the CEO is Board Secretary to the Board. The Board Secretariat function reports to the Finance Director.

APPOINTMENTS

- Appointments are for three years with the possibility for up to a further three years. Any vacancies are advertised under the open and fair rules via the Public Appointments Board.
- At least one of the Non-Executive Board Directors on the committee is required to be financially qualified.
- The Chair is decided on appointment but can change if necessary to the alternate Non-Executive Director.
- The terms of conduct required by Audit and Risk Assurance Committee members are set out on appointment.

REPORTING

- The Audit and Risk Assurance Committee will provide an oral update to the Board and the Accounting Officer after each meeting.
- The Audit and Risk Assurance Committee will provide the Board and Accounting Officer with a written report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

RESPONSIBILITIES

The Audit and Risk Assurance Committee will advise the Board and Accounting Officer 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 corporate governance requirements for the court;
- proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide audit services if and when necessary;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;

The Audit and Risk Assurance Committee will also review its own effectiveness and report the results of that review to the Board every year.

RIGHTS

The Audit and Risk Assurance Committee 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 court, subject to budgets agreed by the Board.

ACCESS

- 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 Assurance Committee.

MEETINGS

- The Audit and Risk Assurance Committee will meet at least three times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings, as they deem necessary;
- A minimum of three members of the Audit and Risk Assurance Committee will be present for the meeting to be deemed quorate;
- Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, the Finance Director, the Head of Internal Audit, and a representative of External Audit;
- The Audit and Risk Assurance Committee may ask any other officials of the organisation to attend and assist it with its discussions on any particular matter;
- The Audit and Risk Assurance 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;
- The Board or the Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- In circumstances when the Chair is unavailable for a meeting, the Deputy Chair (the other Non-Executive Board member) will chair the meeting.

SUBCOMMITTEE

- The Committee has one subcommittee:
 - The Safety and Security Committee

The subcommittee will have its own Terms of Reference and will be responsible for providing regular update to the Audit and Risk Assurance Committee.

INFORMATION REQUIREMENTS

For each meeting the Audit and Risk Assurance Committee will be provided with:

- a report summarising any significant changes to the organisation's Risk Register;
- 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;
 - changes to the Periodic Plan;
 - any resourcing issues affecting the delivery of Internal Audit objectives;
- a progress report from the External Audit representative summarising work done and emerging findings.

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

- Proposals for the Terms of Reference of Internal Audit
- 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;
- external Audit's management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External Audit.