

Terms of Reference of the Audit and Risk Committee		THE	
		NATIONAL	
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## 1. Overall purpose and objectives

- 1.1 The National Archives' Board (the Board) has established an Audit and Risk Committee (the Committee) as a Sub-Committee of the Board to support them in their responsibilities for issues of risk, internal control and governance and associated assurance by:
- Reviewing the effectiveness of the assurance framework in meeting the Board/Accounting Officer's assurance needs
  - Reviewing the reliability and integrity of these assurances
  - Providing an opinion on how well the Board and Accounting Officer are supported in decision-taking and in discharging their accountability obligations (particularly in respect of Financial Reporting).

## 2. Membership

- 2.1 The membership of the Audit and Risk Committee comprises the Chair, one further Non-executive Board Member, and the appointed independent member of the Audit and Risk Committee. The Chair of The National Archives Board will attend by invitation only. Additional members may be co-opted when needed.
- 2.2 Other attendees at each meeting are:
- The National Archives' Chief Executive and Keeper and Accounting Officer
  - The National Archives' Chief Operating Officer
  - Representatives from/of The National Audit Office as external auditors and/or their partners
  - Head of Internal Audit and/or Audit Manager from The National Archives' Internal Audit provider
  - The National Archives' Corporate Performance Manager (Secretary).
- 2.3 Other members of The National Archives' staff as requested by the Committee for specific agenda items.

### **3. Reporting**

- 3.1 The Committee will formally report back to the Board and Accounting Officer after each meeting.
- 3.2 The Committee Chair will provide the Board with an Annual Report, independent of the Head of Internal Audit's Annual Report, timed to support finalisation of the Accounts and the Governance Statement, summarising conclusions from the work it has completed during the year.

### **4. Responsibilities**

- 4.1 The Audit and Risk Committee is responsible for advising the Principal Accounting Officer (and the Board) on the following:
- 4.2 Risk Management
  - Reviewing the strategic, operational and financial risks as set out in the Corporate Risk Register considered by the Board.
  - Verifying that the Executive Team have accurately assessed the possible impact that the identified risks could have on The National Archives
  - Ensuring that the Executive Team has responded adequately by adopting and implementing appropriate counter-measures to handle each of the identified risks
  - Verifying that risk management processes work effectively and reporting to the Board on the effectiveness of the risk management system.
- 4.3 Governance
  - Assessing whether the range of assurances available is sufficient to facilitate the drafting of a meaningful Governance Statement
  - Ensuring that, where necessary, there is action in place to address significant governance issues/failures.
- 4.4 Health & Safety Governance
  - Ensuring that The National Archives has appropriate systems and practices in place which provide reasonable assurance in relation to health and safety governance.

#### 4.5 Confidential Reporting

- Maintaining oversight and independent assurance that The National Archives' procedures and practices in place in relation to confidential reporting (whistleblowing), are effective.

#### 4.6 Safeguarding

- Ensuring that The National Archives has appropriate systems and practices in place which provide a high level of assurance in relation to safeguarding.

#### 4.7 Financial Reporting

- Evaluating whether the Board and the business have adequate and timely financial information to enable them to take well informed strategic and operational decisions
- Ensuring that The National Archives has systems in place so that it complies with all relevant legislation and directives relating to financial transactions
- Awareness of any changes to said accounting policies that might materially impact on the ability to produce the Accounts
- Approving the draft Annual Report and Accounts of The National Archives, including the process for review prior to submission to audit, levels of errors identified, and management's letter of representation to the External Auditors.

#### 4.8 Audit Arrangements

- Ensuring that adequate audit arrangements (internal and external) are in place
- Approving the Internal and External Audit strategy and work programme and their results
- Assessing the quality of the Internal and External Audit function
- (Where appropriate) reviewing and supporting proposals for tendering for either Internal or External Audit Services or for the purchase of non-audit services from contractors who provide audit services.
- Ensuring that there is good co-operation with and between Internal and External Audit
- Reviewing the adequacy of management response to issues identified by audit activity (including External Audit's management letter) and the progress of implementing and completing ongoing audit actions.

#### 4.9 Fraud

- Ensuring there are appropriate controls and processes in place to manage the prevention and detection of fraud.

#### 4.10 Functional Standards

- Ensuring that The National Archives has adequate arrangements and processes in place to comply with the Government's Functional Standards, specifically in relation to Finance and Internal Audit.

#### 4.11 Conflicts of Interest

- Receiving the Conflicts of Interest policy and Register of Interests on an annual basis (usually at the June meeting), including maintaining oversight and assurance in relation to Government business appointment rules.

### **5. Rights**

#### 5.1 The Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.
- Procure specialist advice as required at the expense of The National Archives, subject to budgets agreed by the Board.
- Seek any information it requires from any employee (all employees are directed to co-operate with any reasonable request made by the Committee).

### **6. Access**

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

6.2 The Chair of the Committee has the right of independent access to the Principal Accounting Officer.

6.3 The Committee or, as a minimum, the Chair will meet privately with both the internal and external auditors as required but normally not less than twice per year for each.

### **7. Meetings**

7.1 The Committee will normally meet four times each financial year. Meetings will usually be held in June, October, December and March. The Chair of the Committee and the Principal Accounting Officer may convene additional meetings, as necessary.

7.2 A minimum of three members of the Committee will be present for the meeting to be deemed quorate, two of whom must be a Non-executive Board Member (for definition purposes this includes the Independent Member of the Audit and Risk Committee). If a meeting of the Committee becomes inquorate by reason of its

members leaving the meeting, the meeting shall, at the discretion of the Chair, either be suspended until the quorum is re-instated or adjourned to another date.

- 7.3 Members of the Committee together with any person attending the meeting shall declare any interest (pecuniary or non-pecuniary) in any item on the Agenda before the Committee meeting begins. Having declared their interest to the Chair, the Committee member or Executive Director shall disclose the nature of that interest to the meeting at the commencement of discussion on the relevant item. When such a disclosure is made the disclosure shall be recorded in the minutes of the meeting. The member shall not take part in any deliberation or decision of the Committee in respect of that matter.
- 7.4 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.
- 7.5 The Board or the Principal Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 7.6 One meeting will be held to consider the draft Annual Report and Accounts prior to their presentation to the Principal Accounting Officer.
- 7.7 One meeting will be held prior to the beginning of the financial year to approve the Head of Internal Audit's Audit Plan for the forthcoming year.

## **8. Information Requirements**

- 8.1 For each meeting the Committee will be provided with:
- Interim progress reports, provided by the Head of Internal Audit summarising:
    - Work performed (and a comparison with work planned)
    - Key issues emerging from Internal Audit work.
    - Management responses to audit recommendations.
    - Changes to the periodic plan.
    - Any resource issues affecting the delivery of Internal Audit objectives.
  - A progress report from External Audit summarising work completed and emerging findings.
- 8.2 Twice a year the Committee will be provided with:
- A report summarising any significant changes to The National Archives' Corporate Risk Register and a copy of the Corporate Risk Register.
- 8.3 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
- A copy of Internal Audit Assignment Reports (including management's response)
- An assessment of the organisation's vulnerability to fraud and identification of factors that are in place or required to mitigate any identified risk.
- The National Archives' draft report and accounts for recommendation to the Principal Accounting Officer
- 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
- Finalised internal audit reports, with management responses.
- A report on co-operation between internal and external audit
- The organisation's Risk Management strategy
- The National Audit Office Audit Committee self-assessment checklist
- An update on The National Archives' safeguarding practices and procedures
- An update on Confidential Reporting (Whistleblowing).
- A Health & Safety Exception Report providing the appropriate level of assurance and information in relation to health and safety governance.

8.4 The Committee will undertake an annual self-assessment to evaluate its effectiveness in executing its responsibilities.

## **9. Frequency of Review**

9.1 The Terms of Reference should be reviewed on a biennial basis, or earlier if necessary.

9.2 These terms of reference were last reviewed by The National Archives' Board on 29 February 2024. The next scheduled review date is February 2025.