



## Our committees

Updated 06 June 2024

### Audit and Risk Committee

#### Members

- [Rob McWilliam](https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/rob-mcwilliam/) [https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/rob-mcwilliam/] - chair
- [Claire Bassett](https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/claire-bassett/) [https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/claire-bassett/] - member
- [Lisa Mayhew](https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/lisa-mayhew/) [https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/lisa-mayhew/] - member
- [Simon Millhouse](https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/simon-millhouse/) [https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/simon-millhouse/] - member
- [Vikas Shah](https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/vikas-shah/) [https://indemnity.sra.org.uk/sra/how-we-work/our-board/board-members/members/vikas-shah/] - member

#### Terms of reference

##### Purpose

The Audit and Risk Committee is a committee of the board of directors of the SRA (the Board).

The Board has overall responsibility for the company's strategic risk register, approach to risk management and internal control environment, as well as its budget, financial performance, value for money and efficiency.

The role of the Audit and Risk Committee is to provide assurance to the Board on matters within its terms of reference, including:

- The effectiveness of systems to identify and manage risk.
- The effectiveness and independence of the internal and external audit processes.
- The effectiveness of systems of internal control
- The integrity of the company's financial statements and management accounts.

In carrying out its role the committee shall ensure that it is promoting best practice in accordance with the UK Corporate Governance Code, as published from time to time.

The committee's work is dependent on frank, open and respectful relationships with the Board, the executive and with internal and external



auditors. In turn, all parties must be prepared to make information freely available to the committee, and to talk through issues openly.

The committee is authorised by the Board to obtain, at the organisation's expense, outside legal or other professional advice on any matters within its terms of reference.

## **Duties**

### **Risk Management**

- To review the processes in place to provide assurance that:
  - Strategic risks are appropriately captured
  - Effective mechanisms for the management of risk are in place

### **External audit**

- to oversee the selection process for the company's external auditor
- make recommendations to the Board regarding the appointment, reappointment and removal of the external auditor and their remuneration
- to agree, before each audit commences, the nature and scope of the audit
- to assess annually the qualification, expertise and resources, and independence of the external auditor
- to assess annually the effectiveness of the audit process
- to review the external auditor's management letter and management's response

### **Internal controls and internal audit**

- to review the effectiveness of the SRA's internal control environment
- to monitor and review the effectiveness and independence of the internal audit arrangements including:
  - approving the internal audit coverage and plan annually
  - reviewing all internal audit reports relating to the SRA, and monitoring implementation of agreed actions arising from such reports
  - ensuring that the internal auditor has direct and – where appropriate – private access to the committee
- to review anti-fraud, bribery and whistleblowing policies and to ensure effective arrangements are in place to investigate any reports of financial impropriety or otherwise made under those policies

### **Financial Reporting**



- to review the actions and judgements of management in relation to the annual financial statements, including critical policies and practices and compliance with accounting standards

Ensure that the systems for financial reporting to the Board, including budgets and long-term financial plans are subject to review as to completeness and accuracy.

### **Decision-making**

The committee will normally meet four times a year.

The Committee shall be comprised of four members who shall be members of the SRA board, and shall generally sit with the Chief Executive of the SRA and its Executive Director of Resources in attendance.

Quorum for the committee is two members.

### **Review**

The committee shall, at least annually, review its own performance, constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.

### **Reporting**

The committee shall provide an annual report to the Board on the work it has carried out in the period, and the results of its review of its performance, constitution, and terms of reference as above.

The committee shall provide a description of its work in the annual report, including information in line with legal and regulatory requirements.

A summary of this report will be included in the annual report and accounts.