

Audit & Risk Assurance Committee: Terms of Reference

Composition

- Chair:** NCA Non-Executive Director
- Members:** NCA Non-Executive Director
NCA Non-Executive Director
- Attendees:** Home Office Chief Internal Auditor
National Audit Office
NCA Director General (as Accounting Officer)
NCA Director of Corporate Services
NCA Deputy Director Finance & Commercial
NCA Deputy Director Planning, Performance and Risk
NCA Risk Manager (PPR)
NCA Head of Internal Audit
NCA Deputy Director Standards and Security
- Secretariat:** NCA Corporate Affairs
- Quorum:** Minimum of 2 members (one to act as Chair)
- Frequency:** Quarterly, or as determined by the Chair

Purpose

1. The Audit and Risk Assurance Committee (ARAC) will support the NCA Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurance on governance, risk management, the control environment, and the integrity of financial statements and the annual report.
2. The committee will report quarterly to the NCA Board in line with Treasury Guidance¹.

Terms of Reference

3. 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 NCA, including the process for review of the accounts prior to submission for audit,

¹ HM Treasury: Audit Risk and Assurance Committee Handbook (April 2013)

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 NCA;
- Where appropriate, proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- The Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.