



R&R Delivery Authority Ltd (the 'Company')

Risk, Assurance & Audit Committee

Terms of Reference

1. CONSTITUTION

- 1.1 The Risk, Assurance & Audit Committee ('the Committee') shall be constituted as a standing Committee of the Company's Board ('the Board') on the terms as set out below.
- 1.2 Meetings shall take place at least four times a year to consider matters within the remit of the Committee.

2. MEMBERSHIP

- 2.1 The Committee shall have at least three members, all of whom shall be Non-Executive Directors.
- 2.2 The Company Chair shall not be a member but may attend the meetings at the invitation of the Committee Chair.
- 2.3 Membership of the Committee, including the Committee Chair, shall be agreed by the Company Chair in consultation with the Nominations and Remuneration Committee. A list of current members (as may be updated from time to time) is annexed to these terms of reference. This Annex may be updated from time to time without the need to amend the Terms of Reference.

3. ATTENDANCE (NON-VOTING)

- 3.1 Other Non-Executive and Executive Directors may attend the meeting at the invitation of the Committee Chair. These Directors attend in an observer capacity and do not have voting rights.
- 3.2 Representatives of the Corporate Officers, as well as representatives from the Company's external auditor (the National Audit Office) have a standing invitation to attend the meetings.
- 3.3 A representative from the secretariat of the Company shall attend meetings of the Committee.

4. TERM

- 4.1 A member's appointment to the Committee shall run concurrently with their term of office as a director of the Company. Any appointment as a member of the Committee shall automatically cease when they cease to be a director of the Company.

5. QUORUM

- 5.1 The quorum shall be two members. Only members of the Committee shall count for the quorum and the Committee has no authority to make decisions at a meeting unless a quorum is present.
- 5.2 The Committee Chair may nominate a deputy to act in their capacity. The deputy will have the same authority as the Committee Chair in such circumstances. In the absence of the Committee Chair, the remaining non-executive members shall elect one of themselves to chair the meeting.
- 5.3 Decisions at Committee meetings shall be made by a majority vote, and each Committee member shall be entitled to one vote. In the event of equality of votes at a meeting, the Committee Chair shall have a casting vote.



6. INTERESTS

6.1 If a Committee member has a pecuniary, personal or family interest, whether that interest is actual, potential or perceived and whether that interest is direct or indirect, in any proposed contract or other matter which is under consideration or is to be considered by the Committee, the member shall disclose that interest as soon as he/she becomes aware of it. The member shall then be excluded from any discussion or consideration of the matter in respect of which he/she has disclosed an interest.

7. PURPOSE, REMIT and AUTHORITY

7.1 The principal purpose of the Committee is to provide assurance to the Board by exercising oversight of the appropriateness and effectiveness of the Company's risk management, corporate governance, internal audits, internal systems and controls, and financial statements.

7.2 Authority delegated from the Board

A quorate meeting of the Committee has delegated authority from the Delivery Authority Board to decide all matters within its remit as follows:

- **Assurance:**
 - a) Review the adequacy of the Company's internal control systems (including legal compliance, budgetary control, expenditure commitment and risk management), management effectiveness, and governance arrangements to support the achievement of the strategic goals and objectives.
 - b) Monitor the effectiveness of risk management, security, governance, and assurance of all types.
 - c) Monitor compliance with the Board Regulations, the Scheme of Authorities (and the delegations approved therein), the Company's statutory duties and any relevant fiduciary duties and reporting to the Board where the Committee considers it necessary.
 - d) Oversight of corporate governance throughout the Delivery Authority, informed by the Annual Governance Statement and the Internal Audit Opinion on the corporate governance, risk and control framework therein.
- **Internal Audit**
 - e) Ensure that an adequate and effective system of internal audit and assurance is maintained.
 - f) Approve the Internal Audit Charter.
 - g) Approve the integrated assurance framework and approving the annual integrated assurance plan.
 - h) Approve audit plans and the scope of Internal Audit and provide assurance on the adequacy of resources.
 - i) Require Internal Audit to carry out specific investigations.
 - j) Review directing action on internal audit and assurance reports, including the adequacy of management responses, and verifying that appropriate follow-up actions are taken.
 - k) Require the Head of Internal Audit, upon their resignation, to report to the Committee as to the reasons for such resignation.



l) Consult with the Nominations and Remuneration Committee to review and

validate the management of the Delivery Authority's performance assessment framework to measure corporate and programme performance.

- **External Audit:**

- m) The Committee will be kept apprised of any proposed external/independent audit and assurance inspections.
- n) Oversee the relationship between the Company and the External Auditor, including its fees.
- o) Approval of the External Audit Plan and the External Audit Terms of Reference.
- p) Review the effectiveness of the External Auditor's performance and its independence and objectivity following completion of each statutory audit.
- q) Meeting with the External Auditor at least annually, without members of the executive.
- r) Develop and implement policy on the engagement of the External Auditors to supply non-audit services.
- s) Receive copies of any external audit inspection reports together with management's response on the implementation of agreed action plans in respect of any recommendations made.

- **Risk Management**

- t) Review and monitor the organisation's strategic risks, risk tolerance statements and the organisational level risk appetite statement.
- u) Provide assurance and oversight of the Delivery Authority's risk management arrangements to assist the Board in:
 - ensuring an effective risk framework is in place to identify, manage and mitigate business and security (physical and cyber) risks across Delivery Authority; having due regard to the interdependencies between risks.
 - ensuring processes are in place to identify, manage and mitigate shared risks with Delivery Authority's partners and suppliers.Deciding on and implementing a systematic approach to minimising the risk of fraud and bribery throughout the Delivery Authority and its delivery partners.

- **Financial Control & Accounts:**

- v) Monitor the financial controls and accounting policies and systems used in the preparation of the accounts, and any material financial reporting judgements made; taking a systematic approach to minimising the risk of fraud.

- **Annual Statement of Accounts:**

- w) Review and monitor the integrity of the company's financial statements.
- x) Review the Annual Statement of Accounts, the Annual Report and the Annual Governance Statement (including any statements made therein)
- y) Monitor the accounting policies and their preparation.
- z) Monitor significant financial reporting judgements.

- **Security:**

- aa) Monitor the effectiveness of the systems and processes in place to ensure the adequacy of organisational security – including physical, cyber and information security.

bb)

- **Policies:**



aa) Review and endorse to the Board for approval the Risk (Threat & Opportunity) Management, Whistleblowing Policy, Fraud and Bribery, and Assurance policies and any other policies within the remit of this Committee, except where the Board specifically requests otherwise.

bb) Approval of policies within the remit of this Committee, except where the Board specifically requests otherwise.

8. ADVISORY AUTHORITY

8.1 The Committee will advise on, assist, make recommendations to and report to the Board in any such circumstance that the Committee considers it appropriate in line with its above remit.

8.2 The Committee is authorised to instruct the procurement of reports, evidence and advice from third parties on any matter pertaining to its remit under this terms of reference.

9. ADMINISTRATION

Meetings

9.1 Meetings of the Committee shall be called by the Company on behalf of the Committee Chair, by notice served on the members of the Committee.

9.2 The notice of each Committee meeting, with the agenda and any supporting papers, shall be circulated no later than 5 working days before the meeting.

9.3 Late papers may be circulated prior to or tabled at a Committee meeting, subject to the prior approval of the Committee Chair.

9.4 Committee meetings may be held in person or by suitable electronic means as agreed by the Committee Chair and the members.

9.5 The business of the Committee may be conducted by correspondence when required.

Minutes

9.6 The Company shall minute the proceedings of the Committee meetings, which shall be circulated to the members of the Committee, and following approval by the Committee Chair, to the Board.

Reporting

9.7 After each Committee meeting the Committee Chair shall provide an oral update to the Board at its next meeting. The Committee minutes shall be made available to the Board.

9.8 The Committee shall prepare and submit an annual report on its work to the Board.

Equality and Inclusion

9.9 In carrying out its functions, the Committee shall give due regard to the principle of equal opportunity for all people, taking proper consideration of relevant policies of the Company.

Effectiveness Review

9.10 The Committee members shall contribute to the annual review of governance effectiveness, which shall be reported to the Board.

(Approved by the Board on 25/09/2023)



Annex to Risk, Assurance & Audit Committee Terms of Reference

The membership and standing attendance (non-voting) of the Committee shall be as follows:

Members

Name	Position
Anne McMeel	Committee Chair
Simon Thurley CBE	Non-Executive Director
Anne Baldock	Non-Executive Director

Standing Attendees (non-voting)

Name	Position
David Goldstone CBE	Chief Executive
Tanya Coff	Chief Financial Officer
David Partington	Head of Internal Audit
Mike Brown CBE MVO	Delivery Authority Chair
Matt White	R&R Programme Director
Liz Fox	Director, Parliament, Sovereign and Justice, NAO
Greg Walsh	Audit Manager, NAO
Jane Mee	General Counsel