

## British Tourist Authority: Audit & Risk Committee Terms of Reference

### 1. Introduction

- 1.1. The BTA Board has established the Audit & Risk Committee (“the Committee”) to support it and the Accounting Officer in their responsibilities for risk management, internal control, governance arrangements. It functions as a committee of the BTA Board and its responsibilities cover both VisitBritain and VisitEngland.
- 1.2. The Committee’s Terms of Reference have been drafted taking into account the terms and guidance contained in the BTA Management Agreement, [Cabinet Office Guidance for Non-Department Public Bodies](#), [HM Treasury’s Managing Public Money standards](#), and [HM Treasury’s Audit & Risk Assurance Committee Handbook](#).

### 2. Membership

- 2.1. The Committee shall comprise of up to five members. At least two shall be members of the BTA Board and at least one shall be from the VisitEngland Advisory Board (which shall have the option to appoint a second member at any time). There shall also be an option to include one independent external professional with recent and relevant finance, accounting or audit experience.
- 2.2. Appointments of members to the Committee are approved by the BTA Board.
- 2.3. The term of service for Committee members will be for a period of five years, extendable for up to a maximum of a further five years at the discretion of the BTA Board. Committee members may stand down with the consent of the BTA Board and their service will discontinue if they no longer serve as members of the BTA Board and/or the VisitEngland Advisory Board.

### 3. Attendees

- 3.1. Members of the Committee will normally invite to attend their meetings the:
  - Accounting Officer / Chief Executive;
  - Director of Finance and Business Services;
  - Director Strategy and Communications;
  - Deputy Director of Finance;
  - Head of Finance;
  - General Counsel & Company Secretary;
  - Compliance & Risk Manager;
  - Representative(s) of BTA’s Internal Auditors;
  - National Audit Office (NAO) Director responsible for external audit;

- Representative of the Department for Digital, Culture, Media and Sport (DCMS).
- 3.2. The Committee may ask any other member of BTA's staff to attend and assist with its discussions on any particular matter, and they are required to cooperate with the Committee in the conduct of its enquiries.
- 3.3. The Committee may ask any or all of those who are normally invited to attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

#### **4. Responsibilities**

- 4.1. The Committee will maintain a rolling forward agenda of about one year which will be reported to the BTA Board on a regular basis.
- 4.2. The Committee's role is to support the BTA Board and Accounting Officer, in monitoring the adequacy of BTA's corporate governance and control systems through:
- offering objective advice on issues concerning the risk, control and governance of BTA and associated assurances provided by internal and external audit and other processes;
  - constructively challenging, where and when appropriate, executive decisions to ensure that these are the best possible and achieve value for money in the light of the available evidence.
- 4.3. The Committee will review and advise the BTA Board and the Accounting Officer on the following matters:
- the Annual Report & Accounts and Statement on Corporate Governance;
  - up-holding standards of propriety in BTA's business and operations;
  - achievement of value for money;
  - the plans for internal and external audit, including assessing priorities and promotion of understanding of the role of audit within the organisation;
  - the results of internal and external audit work, including individual audits, progress, remedial actions and annual reports, and management letters;
  - the adequacy of management responses to issues raised by internal and external audit, and implementation of internal audit recommendations and timescales;
  - the adequacy of the governance and internal controls framework including the processes for assessing, reporting, mitigating and owning business risks and their financial implications, and the capability of the BTA's internal reporting system to provide early warning of control failures and emerging risks;
  - the adequacy of BTA's assurance arrangements relating to the management of risk and corporate governance;
  - the appointment of Internal Auditors;
  - ensuring that appropriate policies are in place to support effective internal controls and corporate governance. The Committee would review and be provided with assurance through a schedule of policies, which will function as a register of all BTA policies. The schedule will outline the relevant forum responsible for reviewing each policy (i.e. the

Committee itself, BTA Board, Remuneration & People Performance Committee, or management), including review periods and dates;

- BTA's policies for counter-fraud, whistle-blowing and cyber and information security;
- the performance of internal and external audit services;
- consider such other topics and oversee other activities, as requested by the Board or suggested by the Accounting Officer.

4.4. The Committee will in respect of the BTA's Annual Report and Accounts give consideration to the following:

- that the accounting policies in place are appropriate and comply with relevant requirements, particularly the Treasury's Financial Reporting Manual and Accounts Direction;
- that there has been a robust process in preparing the Annual Report and Accounts;
- whether the Annual Report and Accounts have been subjected to sufficient review by management and by the Accounting Officer before they are reviewed and approved by the BTA Board;
- that when new or novel accounting treatments arise, whether appropriate advice on accounting treatment has been taken;
- whether there is an appropriate anti-fraud policy in place, and whether losses are suitably recorded;
- whether suitable processes are in place to ensure accurate financial records are kept;
- whether suitable processes are in place to ensure regularity and propriety is achieved;
- whether issues raised by the External Auditors have been given appropriate attention.

4.5. The Committee should satisfy itself that the Annual Report and Accounts represent fairly the financial position of BTA. Before the Accounting Officer signs off the Letter of Representation, the Committee should review it and give particular attention to non-standard issues of representation.

4.6. The Committee will ensure that it reviews its effectiveness and Terms of Reference periodically and report the results to the BTA Board.

## **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 ad-hoc advice at the expense of BTA, subject to budgets agreed by the BTA Board.

## **6. Access**

6.1. Representatives of the Internal Auditors and Representatives of External Audit will have free and confidential access to the Chairman of the Committee and may periodically have private

meetings with him/her to review specific issues and matters overall.

## **7. Meetings**

7.1. The Committee will meet at least four times a year. The Chairman of the Committee may convene additional meetings, as he/she deems necessary.

7.2. The BTA Board may ask the Committee to convene further meetings to discuss particular issues on which they require the Committee's advice.

## **8. Quorum**

8.1. A minimum of three members of the Committee must be present for any meeting to be deemed quorate.

## **9. Secretary**

9.1. The Secretary to the Committee is the Director of Business Services.

## **10. Minutes of meetings**

10.1. The Secretary will arrange for a record of the proceedings and decisions of each meeting to be made, including the names of those present and in attendance and any declarations of conflict of interest.

10.2. Draft minutes of meetings shall be circulated within 10 working days of the meeting taking place to the Chair of the Committee and then to all members and attendees of the Committee.

10.3. The minutes of its meeting shall be approved by the Committee at its next meeting.

## **11. Information requirements**

11.1. For each meeting the Committee will be provided with a:

- copy of the Corporate Risk Register and a report summarising any significant changes to the Risk Register, plus an annual summary of changes;
- progress report from the Head of Internal Audit summarising work done and emerging findings;
- progress review from the External Audit representative summarising work done and emerging findings;
- report summarising any litigation against BTA or events of whistleblowing made pursuant to BTA's Whistleblowing Policy;
- report on single tender actions entered into in the quarter immediately preceding the date of the Committee meeting;
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- copy of the most recent Register of Interests.

11.2. The Committee will also be provided with the following in a timely manner to permit proper scrutiny as required by the Committee:

- 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 Annual Report & Accounts;
- A report on any changes to accounting policies;
- A schedule of policies, which functions as a register of all BTA policies (see 4.3 for further details);
- Any policy under the Committee’s remit to review as defined in the schedule of policies;
- External Audit’s management letter;
- A report on any proposals to tender for audit functions;
- A report on cooperation between Internal and External Audit;
- Such other standard reports as may be required from time to time.

## 12. Reporting

- 12.1. The Chair of the Committee will formally report to the BTA Board after each meeting, identifying significant matters for the attention of the Board. A copy of the Committee’s most recent meeting minutes will also be provided to the BTA Board for consideration at its meetings.
- 12.2. The Committee will provide the BTA Board with an Annual Report, timed to support finalisation of the Annual Report and Accounts and the Statement of Corporate Governance, summarising its conclusions from the work done during the year.

### Review of Terms of Reference:

Last Audit & Risk Committee review date:	June 2020
BTA Board approval date:	June 2020