

COMPANIES HOUSE AUDIT COMMITTEE TERMS OF REFERENCE

An Executive Agency of the Department for Business, Enterprise and Regulatory Reform (BERR)

Companies House Steering Board has established the Audit Committee, to assist and advise the Accounting Officer on audit and corporate governance issues. The Committee acts in a non executive advisory capacity.

Objectives of the Audit Committee

- To assist the Accounting Officer in carrying out his audit and corporate governance obligations, by providing a forum for discussion of internal and external audit related matters.
- To promote confidence in the systems of internal control, by bringing an independent element and guidance on financial and other internal controls.
- To review the nature, extent and scope of Internal Audit coverage, and to provide guidance in defining priorities.
- To co-ordinate any additional reviews by external audit, internal audit or other consultancy and inspection providers, and to review management's responses.
- To provide an objective assessment of year-end financial statements and related reports, and provide advice to the Accounting Officer with respect to the approval of the statements.

Duties

- To receive reports from Internal Audit (and other assurance-providing organisations) and management's responses from time to time.
- To discuss matters of importance arising from those reports with any member of the Audit Committee (or any other person), together with management's responses.
- To provide assistance and guidance to the Accounting Officer on matters related to accounting policy, internal control and Corporate Governance.
- To contribute independent guidance on risk management, financial management and control and to monitor and advise on measures undertaken to manage these in accordance with best practice.
- To consider the programme of audit needs both from internal or external auditors, the resource implications arising and sources of audit services and consulting.
- To advise on the form and content of the annual financial statements, and to review the statements.
- To act as a central reference point and pro-actively steer internal audit, external audit, and the National Audit Office.
- To meet internal and external auditors independently if considered appropriate.
- To review performance matters and effectiveness of Internal Audit.

- To review the committee's own performance on a regular basis adhering to good practice procedures and to report its activities and findings to the Steering Board as appropriate.

Membership

Chair Non Executive Board Member

Members Two additional Non Executive Board Members (NEBM's)
Chief Executive and Registrar (Accounting Officer)
Audit Committee Secretary

In attendance by invitation

Director of Finance

Manager, Internal Audit, BERR

Director, NAO and Audit Engagement Principal

Others as appropriate

Quorum

The Committee will be properly constituted when two of the five permanent members are in attendance, one of whom must be a NEBM.

Frequency and location of meetings

Three Audit Committee meetings will take place each year and an additional meeting will take place early summer in order to sign off the annual accounts. These meetings will generally take place in Cardiff, but occasional meetings will be held in Edinburgh, London and Belfast.

Term of Office

The term of office will be for three years.

Remuneration

Remuneration for a non executive board member of the Audit Committee is £2,200 per annum which will be paid in two instalments, at the end of June and December. The post is classed as an "Office Holder" for tax and National Insurance purposes and, as such under Section 19(1) Income and Corporation Taxes Act 1988, the fee is liable to tax under Schedule E and attracts Class 1 National Insurance liability. Companies House will meet reasonable travel costs, on production of receipts.

Minutes

Minutes will be produced for each meeting and will be circulated to members within ten working days of each meeting. Thereafter, they will also be circulated to the Steering Board for information purposes.