



Companies House

**COMPANIES HOUSE AUDIT COMMITTEE  
TERMS OF REFERENCE**

**An Executive Agency of the Department for Business Innovation and Skills (BIS)**

**Purpose**

Companies House Main Board has established the Audit Committee, to assist and advise it and the Accounting Officer on audit, corporate governance, risk management and internal control issues across the business. The Committee supports the Board and Accounting Officer by reviewing the comprehensiveness, reliability and integrity of information given to it in meeting the Board and Accounting Officer's assurance needs. The Committee acts in a non-executive advisory capacity.

**Composition**

Led by an independent, non-executive Chairman. As a minimum it will comprise:

- Non-executive Chairman
- Two non-executive Board Members (NEBM)
- A member of Shareholder Executive sitting as a formal NEBM

The following individuals may attend meetings by invitation:

Non-executive Chairman of the Main Board  
Chief Executive and Accounting Officer for the Agency  
Director of Corporate Services  
Head of Finance  
Head of Assurance Risk and Consultancy  
Director, NAO and Audit Engagement Principal  
Others as appropriate to provide specialist skills, knowledge and experience

The Audit Committee will be provided with a secretariat function by the Secretariat Team within Companies House.

**Quorum**

The quorum for meetings shall be two or more NEBMs are present.

**Reporting**

The Committee will promote confidence in the system of internal control by bringing independent guidance on financial and other internal controls. It will 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. The Audit Committee reports its activities and findings to the Main Board as appropriate. Minutes will be sent to all Main Board members after each meeting.

## COMPANIES HOUSE ADVISORY BOARD

### **Meetings**

There will be a minimum of three separate meetings, but normally four meetings during each financial year. Such meetings may be held in a physical location or remotely by telephone or electronic communication. Companies House will meet reasonable travel costs for the Non-Executive Board Members. The Board or the Accounting Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

The Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter. It may also ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

Each meeting will be minuted. Minutes will be produced and circulated for comment and agreement within ten working days of each meeting and thereafter circulated to the Main Board.

### **Responsibilities**

The Audit Committees responsibilities are:

- To assist the Accounting Officer in carrying out his audit, internal control and corporate governance obligations, by providing a forum for discussion of internal and external audit related matters.
- To recommend to the Main Board and the Accounting Officer the appointment and remuneration of external auditors and to monitor their performance.
- To monitor the performance of the internal audit function and to make recommendations to the Main Board and Accounting Officer as necessary.
- To contribute independent guidance on financial management and control and to monitor and advise on measures undertaken to manage these in accordance with best practice.
- To provide independent guidance and assurance to the Board and Accounting Officer on the organisation's capacity and effectiveness to manage risk as measured against best practice, and to keep a watching brief on the movement of risk through the quarterly review of the organisation's key risks. To review anti-fraud policies, whistle-blowing processes and arrangements for special investigations.
- To receive reports from Internal Audit (and other assurance-providing services) and advise on the adequacy of management's response to issues identified by audit activity from time to time.
- To receive reports from the External Auditor and review Management's response to any matters raised by the External Auditor.
- To meet internal and external auditors independently if considered appropriate.
- To review the committee's own performance on a regular basis adhering to good practice procedures.
- To review the committee's Terms of Reference on an annual basis.
- Agree the Internal Audit Plan annually.

## COMPANIES HOUSE ADVISORY BOARD

### **Access**

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee.

**Companies House  
September 2014**