

PUBLIC LENDING RIGHT AUDIT COMMITTEE



TERMS OF REFERENCE

The Registrar of PLR, as Accounting Officer for the PLR Fund, has established an Audit Committee to assist and advise him on issues of risk, control and governance and associated assurance.

1. Membership

The Committee will consist of two external non-executive members appointed by the Registrar, one of whom will Chair the Committee, plus the Registrar as Accounting Officer. Our current members are;

Mr Brian Dawson, Head of Internal Audit and Corporate Assurance Manager, South Tyneside Council (Committee Chair);

Ms Pat Hunt, Director, Corporate Services, BECTA (Committee Member).

A minimum of two members of the Audit Committee will be present for the meeting to be deemed quorate. The non-executive members will be appointed for a period of 3 years, and will be eligible for re-appointment at the end of this term.

The Chair of the Committee and/or the Accounting Officer may appoint other external members as they deem necessary. Members will be appointed for a period of 3 years, and will be eligible for re-appointment at the end of this term.

2. Attendance and Meetings

Audit Committee meetings will be held at least twice a year at the PLR office, Stockton-on-Tees and minutes will be taken and agreed among the committee members.

Audit Committee meetings will normally be attended by senior staff from PLR, the Head of Internal Audit and a representative of External Audit. The Committee may ask any other officials from PLR to attend to assist with its discussion on any particular matter. The Committee may 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.

3. 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

4. Responsibilities

The Committee will act in an advisory capacity only and has no executive powers. Its objectives will be to advise the Accounting Officer on:

PLR's internal control, risk and governance processes:

- (a) The strategic processes for risk, control and governance and the Statement on Internal Control;
- (b) The accounting policies, the accounts, and the annual report of PLR, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- (c) The effectiveness of the internal control system to ensure that aims, objectives and key performance targets are achieved;

The work of Internal and External Audit:

- (d) Internal and external audit matters and other financial issues in order to ensure best practice;
- (e) Internal Audit reports and their Annual Report including their annual assurance;
- (f) Reviewing the scope of internal audit coverage, and assessing audit priorities;
- (g) The adequacy of management response to issues identified by internal and external audit, including external audit's management letter and any major unresolved findings from audit assignments;
- (h) 'Value for Money' or other reports prepared by the Comptroller and Auditor General or the external auditor;

The Effectiveness of Internal and External Audit:

- (i) The co-ordination of work between Internal and External Audit;
- (j) Proposals for tendering for Internal Audit or for purchase of non-audit services from contractors who provide audit services;
- (k) The standard of audit performance;
- (l) Auditors' working relationships with auditees and other review agencies;
- (m) Relationships between Internal and External audit.

5. Information Requirements

The information the Audit Committee will be provided with to enable the Committee to advise the Accounting Officer may include but is not limited to:

- (a) A report summarising any significant changes to PLR's Risk Register;
- (b) A progress report from the Head of Internal Audit summarising:
 - work performed (and a comparison with work planned);
 - key issues emerging from Internal Audit work;
 - changes to the Strategic plan;
 - any resourcing issues affecting delivery of Internal Audit objectives;

- (c) A progress report from the External Audit representative, including relevant disclosures relating to SAS 610 (communication of audit matters to those charged with Governance).

As appropriate:

- (d) Proposals for the Terms of Reference of Internal Audit;
- (e) The Internal Audit strategy;
- (f) The Head of Internal Audit's Annual Opinion and Report;
- (g) Quality assurance reports on the Internal Audit function;
- (h) The draft accounts of PLR;
- (i) The draft Statement on Internal Control;
- (j) A report on any changes to accounting policies;
- (k) External Audit's management letter;
- (l) A report on any proposals to tender for audit functions;
- (m) A report (written or oral) on co-operation between Internal and External Audit.

