Terms of reference

**Audit and Risk Committee**

Approved: March 2024 (Reviewed: March 2024; Next review: March 2026)

**Purpose**

The Audit and Risk Committee supports the Board and Chief Executive (as Accounting Officer for S4C) in relation to the organisation’s internal control and assurance arrangements. It is liable to the Board.

**Membership and Other Attendance**

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| Members (3 members)   * Non-Executive Member of the Board (to chair) * 2 Non-Executive Members   Quorum: 2 members.  The members of the Committee are appointed by the Board, in accordance with the above membership.  Up to one non-executive member who does not serve on the Board may be co-opted where desirable to ensure a suitable balance of skills among members of the Committee.  Committee members should not have executive responsibility for the management of S4C.  The Chair of the Board should not be a member of the Audit and Risk Committee. | Non-members   * External Auditors (as appropriate) * Internal Auditors (as appropriate) * Chief Executive * Chief Operating Officer * Chief Finance Officer * Board Secretary   At the request of the Secretary, the Chair of the Committee may permit members of staff of S4C and any other person to attend Board meetings as appropriate.  At least once a year, members of the Committee meet with the External and Internal Auditors without the presence of S4C’s management, other than the secretariat.  The Committee has the right, whenever it is satisfied that this is appropriate, to attend a confidential session with the exception of any other participants and observers or all other than the secretariat.  The External and Internal auditors shall have access (in confidence) to the Chair of the Audit and Risk Committee at any time. |

**Terms of Reference**

1. Scrutinise the following matters, and agree on recommendation(s) to the Board as appropriate:
   1. The performance of the External auditors[[1]](#footnote-1), including any matters affecting their objectivity, and any matters relating to their dismissal (where the Board is involved);
   2. The Governance Statement (to include a statement of members’ responsibilities and the statement of internal control) for the S4C Group Annual Report and Financial Statements;
   3. Matters arising from the interim and final external audits of the annual financial statements for the S4C Group, including:
      * compliance with accounting standards and the Department for Culture, Media and Sport’s Accounts Direction, and any changes in accounting policies and practices;
      * modifications arising from the audit process;
      * the operating company assumption;
      * the management letter from the External auditors and the content of management responses; and
      * the formal opinion of the External auditors;
      * any other matters which the External auditors may wish to discuss (in the absence of management where necessary);
   4. S4C’s annual Modern Slavery statement;
   5. Significant findings from Internal Audit investigations and management responses; and Internal Audit annual report;
   6. Implementing agreed recommendations based on audits, from whatever source;
   7. Internal risk management arrangements, including the corporate risk register;
   8. S4C’s Risk Audit Statement and Matrix, and their annual review;
   9. The arrangements in place to promote value for money;
   10. Individual matters relating to standards and principles of public life at the request of the Board, the Chair of the Board, the Lead Non-Executive Member, or the Chair of the Audit and Risk Committee;
   11. Any amendments to the organisation’s policies on declaration of interests, the prevention of fraud and bribery, maltreatment, and public interest disclosure (‘whistleblowing’);
   12. Amendments to the Committee’s terms of reference (usually following an annual evaluation of its own performance).
2. To consider the following matters, with the authority to approve on behalf of the Board:
   1. External Auditors’ annual risk assessment, strategy and audit programme;
   2. The appointment or reappointment of Internal Auditors, the terms of their appointment, the audit fee, and their ability to provide any non-audit services;
   3. Internal Audit’s annual audit programme, strategy and risk assessment;
   4. The performance of the Internal Auditors, including any matters affecting their objectivity, and any matters relating to their resignation or dismissal;
   5. Annual Report on the activities of the Committee, in the name of the Chair of the Committee – for the attention of the Board and Accounting Officer – to be published in S4C’s Annual Report and Financial Statements;
   6. Matters referred to the Audit and Risk Committee, in accordance with the Committee’s role in S4C’s Freedom of Information and / or data protection procedures.
3. To receive reports for information on the following matters and advise the Board and/or Chief Executive and Management Team as appropriate:
   1. An annual summary of complaints considered in accordance with S4C’s complaints procedures;
   2. An annual summary of the issues considered in accordance with S4C’s policies on the prevention of fraud and bribery, malpractice, and public interest disclosure (‘whistleblowing’);
   3. An annual summary of the issues responded to in accordance with S4C’s data governance policies, including Freedom of Information and the General Data Protection Regulation;
   4. Board and Management Team declarations of interests;
   5. Any other business referred to the Committee by the Board, the Chair of the Board, or the Chief Executive (as Accounting Officer for S4C).

**Rights of the Committee**

The Committee may:

* investigate any activity within its terms of reference;
* commission expert advice or research for the Committee as required (via the Secretary); and
* seek any information required from any member of staff, and all staff are instructed to co-operate with any request made by the Committee.

Although the Chair may offer guidance and advice on the types of matters that should be formally presented to the Committee, together with the best time to do so, and the nature of the information appropriate to present to the Committee, the Chair cannot take any formal decisions on behalf of the Committee unless the Committee has agreed to delegate the decision to them in advance.

**Meeting Arrangements**

Meetings are held at least four times a year, and then as required (at the request of the Auditors, Secretary, or Committee Chair).

The Committee may consider and approve matters through communication outside of formal meetings, provided that a full record of the decision is kept and that any decision taken outside of a formal meeting is reported and recorded in the next formal meeting.

Individuals are required to leave the meeting when a conflict of interest arises (the Committee will have the final say in any conflict of interest).

The Secretary, or other competent person appointed by the Secretary, will record the meeting.

Minutes and / or written reports from the Committee will be submitted to the Board and Accounting Officer for recording or consideration, as appropriate, as soon as possible following the Committee meetings.

Subject to the above provisions, the activities of the Committee shall be governed by, so far as relevant, the Standing Orders of the Board.

1. The National Audit Office is appointed by the Secretary of State to serve as S4C’s External auditors. [↑](#footnote-ref-1)