

Committees of the FSA Board

Business Committee

The Business Committee exists to provide appropriate high-level oversight of financial and operational matters at Board level and support the translation of policy into effective results.

The meetings are open unless there are issues that need to be discussed in private because of the following reasons:

- the meetings relate to issues that are commercial and in confidence
- are the subject of live negotiations in which the public interest could be adversely affected
- are related to individuals

[Terms of reference for FSA business committee](#) (81.25 KB)

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) is a committee of the FSA Board.

ARAC is responsible for reviewing, in a non-executive capacity, the reliability of assurances on governance, risk management and the control environment. It is also responsible for reviewing the integrity of financial statements and the Food Standards Agency Annual Report and Accounts.

Terms of reference

Membership

A minimum of five Members of the FSA Board appointed by the FSA Chair under delegated powers following consultation with the Committee Chair. At least one of those appointed will be a Board member for Wales or Northern Ireland. The term of appointment will normally be the same as an individual's term of appointment to the FSA Board and will automatically cease if an individual ceases to be a Board member. At least one of the Committee members should have recent and relevant financial experience.

Committee Chair

Appointed from the membership of the Committee by the Chair of the FSA under delegated powers. The term of appointment is normally the same as an individual's term of appointment to the FSA Board.

Co-option

The Committee may co-opt additional members (whether members of the FSA Board or not) for a period of up to one year to provide specialist skills, knowledge or experience. Co-opted members will have a right to speak, but not vote. Co-opted members will not be included in any calculation of the quorum.

Quorum

Three non-executive Board members.

Attendance

The following attendees would normally be invited to attend:

- The Chief Executive The Accounting Officer
- Director of Finance and Performance
- Head of Planning, Performance & Change
- Head of Internal Audit
- Representative of the External Auditors (National Audit Office) would normally be invited to attend

Directors and other officials will be invited to attend as required. [Audit and Risk Assurance Committee member attendance – 2017.](#)

Reporting

The Audit and Risk Assurance Committee Chair (ARAC) will provide the Chair of the FSA and the Board with an oral update on the key elements of Committee meetings. The Audit and Risk Assurance Committee will report formally in writing to the Board, annually, to support the finalisation of the accounts and the Governance Statement and to update the Board on the work of the Committee, Internal and External Audit and any areas requiring specific attention.

Meetings

The Audit and Risk Assurance Committee will meet at least four times a year. The Chair of the Committee will arrange additional meetings as necessary. The Committee has the right to sit privately without any non-members present for all or part of a meeting.

Additionally, the members of the Committee will meet with the Head of Internal Audit and, separately, the External Auditors, annually, in closed meetings when the efficacy of the processes, trust, co-operation and any other issues can be discussed and future action agreed.

The FSA Chair, the Board or the Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

Responsibilities

The Audit and Risk Assurance Committee (ARAC) will advise the FSA Board and Chief Executive on:

- the strategic processes for risk management, including reviewing the risk profile and register and considering the Agency's risk appetite
- the high level control and governance framework and the effectiveness of its operation in

practice

- the contents of the Governance Statement
- the accounting policies, the accounts, and the annual report of the FSA, including the judgements used in producing the accounts, the adequacy of disclosures, 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
- the effectiveness of the design and operation of financial systems and controls.
- the planned activity and results of both internal and external audit
- the resourcing and effectiveness of the Internal Audit function
- the adequacy of the management response to issues identified by audit activity, including external audit management letters
- assurances relating to the corporate governance requirements for the organisation.
- proposals for tendering for either Internal or External Audit services or for the purchase of non-audit services from contractors who provide audit services
- anti-fraud policies and whistle-blowing processes, and arrangements for special investigations
- the Committee's effectiveness having reviewed its own performance, constitution and terms of reference and recommending any changes it considers necessary

Information requirements

The ARAC will be provided with, where appropriate:

- any changes to the organisation's Corporate Risk Register that are relevant to the responsibilities of the Committee
- the risk management strategy
- management assurance reports, and report on the management of major incidents, 'near misses' and lessons learned
- progress reports from the External Audit representatives summarising work done and emerging findings
- external assurance and compliance reports in relation to the FSA's activities
- internal Audit Strategies and annual plans
- the Head of Internal Audit's Annual Opinion and Report
- Quality Assurance reports on the internal audit function
- the draft accounts of the organisation
- the draft Governance Statement
- any changes to accounting policies
- proposals to tender for audit functions
- summary of findings of every Internal Audit report
- external audit's management letter
- a report on cooperation between the FSA auditors and external auditors

Progress reports from the Head of Internal Audit which summarise:

- work performed (and a comparison with work planned)
- key issues emerging from Internal Audit work
- management action in response to issues identified and agreed
- changes to the Internal Audit Plans
- any resourcing issues affecting the delivery of Internal Audit objectives

The Audit and Risk Assurance Committee will work with the FSA's Executive Management Team to ensure that the Board can be confident that risk management processes, content, mitigating and recovery actions are appropriate and correctly resourced.

Notes

The Chair of ARAC will have free and confidential access to the Chair and Chief Executive of the FSA whenever appropriate. The Head of Internal Audit and the representatives of External Audit will have free and confidential access to the Chair of the Committee.

The Committee may get specialist ad-hoc advice when needed at the expense of the FSA, subject to the cost being agreed by the Chief Executive as Accounting Officer.

Committee members

- [Colm McKenna](#) – ARAC Chair (and Board member for Northern Ireland)
- [Ruth Hussey](#)
- [Mary Quicke](#)
- [Laura Sandys](#) (Deputy FSA Chair)

Observers

- [Jason Feeney](#) – Chief Executive, FSA
- [Chris Hitchen](#) – Director of Finance and Performance, FSA
- John Furley – Internal Audit, FSA
- James Osborne – National Audit Office
- Jennifer Dorrell – National Audit Office