

Comisiwn y Cynulliad Assembly Commission

NAFWC 2007 (Paper 5A)

Security Classification (if required): None

Date: Wednesday 20 June 2007

Time: 9.30-12.00

Venue: Conference room 22

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TERMS OF REFERENCE FOR THE CORPORATE GOVERNANCE COMMITTEE

Purpose and summary of issues

1. The Assembly Commission has established a Corporate Governance Committee, the membership of which has yet to be decided. The Assembly Commission is asked to endorse the proposed terms of reference.

Recommendations (including priority deadline)

2. The Assembly Commission is asked to endorse the proposed terms of reference (annex 1).

Discussion

3. The Assembly Commission has established a Corporate Governance Committee, the membership of which has yet to be decided.

4. A Corporate Governance paper which included terms of reference for the Corporate Governance Committee was presented to the Shadow Commission on 3 October 2006. The paper has been modified to reflect the new style for such terms of reference as set out in the revised Audit Committee Handbook. The Assembly Commission is asked to endorse the proposed terms of reference.

Governance Matters

Financial implications

5. There are no financial implications associated with this paper.

Risk Assessment

6. The Corporate Governance Committee will assist the management of risk in its role as advisor to both the Commission and Accounting Officer on the strategic processes for risk.

Compliance

7. This is a compliance document which specifies the roles and responsibilities of the Corporate Governance Committee.



Annex 1

National Assembly for Wales Commission

TERMS OF REFERENCE FOR THE CORPORATE GOVERNANCE COMMITTEE

The Commission has established a Corporate Governance Committee in support of its responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Commission and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances

MEMBERSHIP

The members of the Corporate Governance Committee will comprise:

- One Commissioner; and
- Two independent non-executive advisers – one of who will be the Chair.

The Corporate Unit will provide the secretariat for the Committee.

REPORTING

The Committee will formally report in writing to the Commission and Accounting Officer after each meeting.

The Committee will provide the Commission and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Statement on Internal Control, summarising its conclusions from the work it has done during the year.

RESPONSIBILITIES

The Committee will advise the Commission and Accounting Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, the accounts, and the annual report of the Commission, 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 Auditor General;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including the external audit management letter from the Wales Audit Office;
- assurances relating to the corporate governance requirements for the Commission;

- proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;

The Committee will also periodically review its own effectiveness and report the results of that review to the Commission.

RIGHTS

The Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Commission.

ACCESS

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

MEETINGS

The Committee will meet at least four times a year. The Chair may convene additional meetings, as deemed necessary.

A minimum of two members of the Committee must be present for the meeting to be deemed quorate.

Committee meetings will normally be attended by the Accounting Officer, the Chief Operating Officer, the Head of Internal Audit, and a representative of the Wales Audit Office.

The Committee may ask any other officials to attend to assist it with its discussions 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.

The Commission or the Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

INFORMATION REQUIREMENTS

For each meeting the Corporate Governance Committee will be provided with:

- a report summarising any significant changes to the Commission's Risk Register;
- 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;
 - management's response to audit recommendations;
 - changes to the annual audit plan;
 - resourcing issues affecting the delivery of Internal Audit's plan;
- a progress report from the Wales Audit Office representative summarising work done and emerging findings.

As and when appropriate the Committee will also be provided with:

- proposals for the terms of reference of Internal Audit;
- the Internal Audit Strategy;
- the Head of Internal Audit's Annual Opinion and Report;
- quality assurance reports on the Internal Audit function;
- the draft accounts of the Commission;
- the draft Statement on Internal Control;
- a report on any changes to accounting policies;
- the Wales audit Office management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External Audit.

The above list suggests minimum requirements for the inputs which should be provided to the Committee. In some cases more may be provided. For instance, it might be agreed that Committee members should be provided with a copy of every Internal Audit assignment report.