

Government Internal Audit Agency (GIAA) Board Terms of Reference

The GIAA's terms of reference have been drawn up in line with [Corporate governance in central departments: code of good practice](#), Cabinet Office and HM Treasury, April 2017.

1. Purpose and role

- 1.1 The Board forms the collective strategic and operational leadership of the Government Internal Audit Agency, bringing together its executives with senior non-executives from outside government, helping the Agency to operate in a business-like manner. The Board has an advisory role to support and challenge the Chief Executive as the Agency's Accounting Officer.
- 1.2 The Board operates collectively, concentrating on advising on strategic and operational issues affecting the Agency's performance, as well as scrutinising and challenging policies and performance, with a view to the long-term health and success of the Agency.
- 1.3 Although the Board does not decide policy or involve itself in the delivery of internal audit services, it advises on the operational implications and effectiveness of proposals. The Board operates according to recognised precepts of good corporate governance in business:
 - Leadership – articulating a clear vision for the Agency, and setting risk appetite and managing risk.
 - Effectiveness – bringing a wide range of relevant experience to bear, including through scrutinising performance and offering advice on addressing delivery challenges.
 - Accountability – promoting transparency through clear and fair reporting.
 - Sustainability – taking a long-term view about what the Agency is trying to achieve and what it is doing to get there.
- 1.4 The Board meets bi-monthly and advises on five main areas:
 - Strategic clarity – setting the vision and/or mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of issues; using outside perspective to ensure that the Agency is challenged on the outcomes.
 - Commercial sense – ensuring sound financial management of the Agency; scrutinising the allocation of financial and human resources to achieve the Agency's corporate plan; ensuring organisational design supports attaining strategic objectives; setting the Agency's risk appetite and ensuring controls are in place to manage risk; and evaluation of the board and its members.

- Talented people – ensuring the Agency has the capability to deliver and to plan to meet current and future needs.
- Results focus – shaping the Agency's corporate plan, including strategic aims and objectives; monitoring and steering performance against plan; and setting the Agency's standards and values.
- Management information – ensuring clear, consistent, comparable performance information is used to drive improvements.

1.5 The Board also:

- Provides advice and makes recommendations, where necessary, to the Agency sponsor, HM Treasury (HMT). Should the need arise, the Board may escalate issues and engage directly with the principal accounting officer (HMT Permanent Secretary);
- Assists the Chief Executive in ensuring that the Agency's customers receive the highest quality service and engage in the cost-effective delivery of their audit plans, and that the Agency provides value for money for the taxpayer;
- Provides oversight and makes decisions concerning senior executive pay, a role which it will normally delegate to the Nominations and Remunerations Committee or equivalent.
- Acts as advocates and promoters of the Agency.

2. Sub-committees

2.1 The Board may establish any sub-committee it believes is required to discharge its duties and business in an efficient and effective manner. As a minimum, this includes committees responsible for audit and risk assurance (the responsibilities of which include reviewing the comprehensiveness of assurances and integrity of financial statements), and nominations (the responsibilities of which include scrutinising the incentive structure and succession planning for the Board and the senior leadership of the Agency).

2.2 The Board must also ensure that governance arrangements are sufficiently scrutinised; this responsibility may be discharged by the Board itself or by a Board sub-committee (such as the audit and risk assurance committee or the nominations committee).

2.3 All sub-committees must have a terms of reference approved by the Board, and each sub-committee will provide regular updates and an annual report to the Board.

3. Composition

3.1 Members:

- Chair (Lead Non-Executive)
- Non-Executives x3

- Chief Executive
- Chief Operating Officer
- Director, One GIA
- Operational Director HHA
- Operational Director EBA
- Director Innovation & Development
- HMT Director-General for Public Spending and Head of Government Finance Function (Sponsor)

3.2 Others attending in a support capacity:

- Board Secretariat.

3.3 Quorum: The Board is quorate when at least four members are present, two of which must be Non-Executive Board Members plus either the Chief Executive or Chief Operating Officer, and one of the two Operational Directors or the Director, One GIA.

3.4 Deputies: With the agreement of the Chair, Executive Board members and the HMT sponsor may send deputies to the meeting, but such deputies must be empowered to engage and make decisions on their behalf. If the Chair is unable to attend a meeting due to unforeseen circumstances, he may nominate one of the other non-executives to chair the meeting.

3.5 At the discretion of the Chair and/or Chief Executive, additional meetings can be called and meetings can be cancelled if not needed.

4. Observers

4.1 Normal Board meetings may be attended by up to two observers from Agency staff. The Board Secretariat will arrange invitations to individuals who have a particular interest in the subject matter being discussed or who have been put forward to attend by their Executive Director.

5. Support and reporting responsibilities

5.1 The Board is supported by the Board Secretariat. The Secretariat discusses and manages the agendas, minutes and actions in conjunction with the Chair and Chief Executive.

5.2 The Secretariat maintains a forward look of the Board's agenda items. Anyone wishing the Board to take an item should seek the advice of the Secretariat. This is so that advice can be given on whether the item is best considered by the board or another of the Agency's governance groups.

5.3 The Secretariat commissions those who own the content of the planned agenda item for any papers and/or presentations required for the item. It is the responsibility of the content owner to ensure that papers are produced on time, meet the objectives of the item, are in the correct format, and have been subject to the necessary clearances. All

Agency staff are expected to respond to any reasonable request from the board for information or presentations.

- 5.4 In certain circumstances, it may be necessary for the Board to seek external advice, which will be commissioned through the Chief Executive.
- 5.5 All papers must follow the paper template which includes the objective of the item and the 'ask' of the Board.
- 5.6 Papers for the Board must be agreed by the lead Executive Board member for that item and then provided to the Secretariat at least seven working days before the meeting. The Secretariat reviews papers to ensure they meet expected quality standards. The Chief Executive will then review the papers before they are issued.
- 5.7 An agenda and papers for each meeting are circulated to all attendees five working days before the meeting. Where necessary, the Chair receives any pre-briefing in advance of the board meeting itself – this may be written, oral or both.
- 5.8 The Secretariat, in conjunction with the Chair and Chief Executive, may decide to take items by correspondence. Where an item will be taken in correspondence, the Secretariat will inform the item owner of the process and dates for this.
- 5.9 At the end of each agenda item, the Chair summarises the position of the Board and any agreed actions. At the end of each meeting, a nominated member reviews the meeting and provides oral feedback on its effectiveness.
- 5.10 The minutes of the meeting focus on the key points from the discussion and document any decisions and follow-up actions required. They are prepared and sent to the Chair for provisional approval within five working days of the meeting and circulated to the Board and other attendees thereafter. Minutes are tabled for formal approval at the next meeting.
- 5.11 Following the meeting, any person nominated as responsible for follow-up action, is notified by the Secretariat. Action owners are responsible for keeping the Secretariat informed of progress regarding the actions and should inform the Secretariat when an action is complete or if there are any issues impacting on its progress. The Secretariat may request an update from an action owner at any time in order to gather information for the Board.

6. Review

- 6.1 The Board reviews its effectiveness, including its membership, at least annually, and ensures that these Terms of Reference are updated as appropriate.