

Jigsaw

Terms of Reference for the

Audit & Risk Subcommittee

The Audit & Risk Subcommittee is a subcommittee of the Jigsaw Board. The Subcommittee's principal objective is to provide strategic advice and exercise oversight on areas within its remit.

Key responsibilities of the Subcommittee:

This subcommittee deals with organisational risk, internal audit, the annual external audit of the financial statements and any other external audits and reports to the Board.

In particular:

Risk

- Review financial risk as relevant to the audited annual accounts.
- Regular review of risk across the organisation and oversight of implementation of risk management by the executive.

Internal Audit

- Appointment of internal auditor and review of performance
- Development of annual internal audit programme of work
- Review of internal audit reports
- Monitor implementation of any actions agreed in relation to audit findings and recommendations

External Audit of the Annual Financial Statements

- Review the annual audited accounts including the Directors' Report, etc. for accuracy of financial data for presentation to the full Board.
- Meet the external auditor, at least annually in line with the audited accounts, without the Executive present.
- Discuss the management letter from the external auditor (following the annual audit) and agree the reply for recommendation to the Board for approval.
- Monitor implementation of improvements agreed in response to external audit recommendations.
- Assess continuing suitability of the appointed external auditor and recommend to the Board the appointment/reappointment of the auditor. Where relevant or appropriate

the Audit & Risk subcommittee is responsible for proposing to the Board any change in external auditor with a supporting rationale.

- Recommend to the Board the level of remuneration for the external auditor for approval by the Board.

Other External Financial Audits

- Discusses reports from other external auditors (normally funders) and agrees the reply for recommendation to the Board for approval.
- Monitors implementation of improvements agreed in response to external audit recommendations.
- Provide an independent and objective review of the process relating to Jigsaw's management of financial risk, prevention of corruption and waste and the system of internal controls.

Membership

The Subcommittee shall consist of Chairperson, who is a Board member, at least two other Board members and the Subcommittee shall have at least one external member.

At least one member has strong financial expertise and qualifications.

In line with best practice the Board Chair can be present but is not a member of this subcommittee.

The Audit & Risk Subcommittee shall invite the Chair of the Finance subcommittee to attend the meeting with the external Auditors at the end of the annual audit.

Relevant staff members shall normally be required to attend all meetings of the Subcommittee. Other staff shall attend meetings as required. Youth Advisory Panel members may be requested to be in attendance.

A staff member shall act as secretary to the Subcommittee.

Casual Vacancies

The Jigsaw Board from among their members shall fill casual vacancies occurring in membership of this committee. The Board will also consider proposals in relation to the replacement of external members.

Frequency of Meetings & Quorum

The Subcommittee shall meet not less than once per year or more frequently if the business requiring its attention should so dictate. A quorum at each meeting shall be two members, one of whom must be a Board member.

Reporting to the Board

The Subcommittee will present verbal and/or written reports to the Board. The subcommittee meetings will be minuted and these minutes will be circulated to the Board. The work of the subcommittee should be fully and accurately reflected on the Board's agenda and minutes.

Review

The Subcommittee shall conduct an annual self-review of its performance including a review of the terms of reference.

Terms of Reference to be reviewed no later than November 2022.

Reviewed by the Audit & Risk Subcommittee on 3rd November 2020, updated at meeting on 17th May 2021 and agreed on 12th October 2021.

Approved by the Board on 19th October 2022.