



UK Research
and Innovation

UKRI Audit and Risk Assurance Committee (ARAC)

Terms of Reference

1 Constitution

- 1.1 The Audit and Risk Assurance Committee (the “Committee”) was originally constituted as the Audit Risk Assurance and Performance Committee (ARAPC), a committee of the UKRI Board (“the Board”) on 1 April 2018, in accordance with the Higher Education and Research Act 2017 (“HERA”), the UKRI Framework Document and the UKRI Board terms of reference (“TOR”). The Committee was renamed on 9 November 2022.
- 1.2 The Board determines and has delegated authority to the Committee in respect of the functions and powers in these TOR. The TOR shall be agreed by the Board.

2 Role

- 2.1 The role of the Committee is advisory, it provides oversight, assessment and review. It has no executive or decision-making powers except where specifically delegated.
- 2.2 The Committee supports the Board and Accounting Officer (“AO”) by:
 - reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, performance information, financial reporting and the integrity of the annual report and accounts
 - gaining assurance that there is an adequate and effective risk management and assurance framework in place
 - providing oversight and independent challenge regarding the implementation of policies and processes developed by UKRI

3 Membership

- 3.1 The Committee shall comprise between six and ten members, all of whom shall be independent non-executive members of the Board or independent external members. At least two shall be members of the Board. The Chair and Deputy Chair must be Board members.
- 3.2 Only members have the right to attend and vote at meetings. At least one member shall have recent and relevant financial experience and the balance of independent members should reflect the skills and experience required by ARAC to fulfill its duties.
- 3.3 The Committee attendees may include persons who are not members, council members or employees of UKRI. The validity of any proceedings of the Committee is not affected by a vacancy or a defective appointment.
- 3.4 The Chair of the Board shall appoint the Committee Chair (the “Chair”), and this shall be endorsed by the Board. In the absence of the Chair their nominated deputy shall chair the meeting.
- 3.5 Appointments to the Committee shall be made by the Chair of the Board in consultation with the Chair of the Committee and endorsed by the Board.
- 3.6 The Committee has the authority to co-opt additional members with relevant experience and expertise for a period not exceeding one year to provide specialist skills, knowledge and experience.
- 3.7 The Chair shall review membership annually with the Board Chair as part of the annual performance evaluation of the Committee.

- 3.8 Appointments shall be for a period of three years which may be extended for up to three additional years provided members continue to be independent.
- 3.9 The Board Chair shall not be a member of the Committee or have voting rights but has a standing invitation to attend all or part of any meeting.
- 3.10 The UKRI Chief Executive Officer (CEO) / AO, Chief Finance Officer (CFO), Chief Operating Officer (COO) and others agreed by the Chair will usually attend Committee meetings.
- 3.11 The Secretary of State for the Department for Science, Innovation and Technology (DSIT) or their representative is entitled to attend any meeting of the Committee, to take part in the deliberations and to receive copies of documents as they may require.
- 3.12 Representatives of the National Audit Office (NAO) and Government Internal Audit Agency (GIAA) will be invited to attend meetings and receive papers as appropriate.
- 3.13 Other individuals such as the Chief People Officer, Chief Information Officer, General Counsel, Finance Director, Senior Security Advisor and Deputy Director Risk and Assurance may be invited to attend all or part of any meeting as agreed by the Chair.
- 3.14 The Chair may ask any or all attendees to withdraw from all or part of the meeting to facilitate open and frank discussion. The reasons for this and outcomes of the discussion will be recorded in the minutes.
- 3.15 Members and attendees have a responsibility to declare potential conflicts of interest, and to comply with the UKRI Declarations of Interest Policy and Guidance.
- 3.16 All Committee members and other invited attendees should uphold The Seven Principles of Public Life.

4 Secretary

- 4.1 The UKRI Head of Governance and Secretariat or their nominee shall act as Secretary of the Committee and ensure it receives information and papers in a timely manner to enable full and proper consideration of the issues.

5 Quorum

- 5.1 The quorum necessary for the transaction of business shall be at least 50% of the members, one of whom must be the Chair or Deputy Chair.
- 5.2 The Committee shall agree in advance those arrangements necessary for meetings when the quorum cannot be met.

6 Frequency of Meetings

- 6.1 The Committee shall normally meet 5 times a year at appropriate intervals with additional meetings to review and ratify the UKRI Annual Report and Accounts. Additional subject-specific meetings may be requested of the Secretary by the Chair, members, Board or AO.

- 6.2 Members may request a closed session at any time. Members normally meet with internal and external auditors prior to each full Committee meeting and there will be a short opportunity for members to review at the close of each meeting.
- 6.3 Outside of the formal meeting programme, the Committee Chair or their delegated representative shall maintain a dialogue with key individuals involved in UKRI governance including the Board Chair, CEO, CFO, COO and other stakeholders such as the internal audit and external auditors.
- 6.4 The Committee may choose to conduct business by correspondence between formal meetings.

7 Notice of Committee Meetings

- 7.1 Meetings shall be called by the Secretary at the request of the Chair or any of its members.
- 7.2 Unless agreed otherwise, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each Committee member and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and other attendees at the same time. Papers may be forwarded at shorter notice with approval of the Chair.

8 Minutes of Meetings

- 8.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance. The Secretary shall ascertain the existence of any conflicts of interest and minute them accordingly.
- 8.2 Draft minutes of Committee meetings shall be agreed with the Chair and circulated promptly to all members, normally for approval at the following meeting.
- 8.3 Once approved, minutes shall be circulated to all other Board members unless, exceptionally, it would be inappropriate to do so. Minutes shall be published in accordance with UKRI policy.
- 8.4 Minutes and correspondence shall be provided to other committees as required in accordance with UKRI policy.
- 8.5 The Committee shall receive the minutes of other committees as required to enable it to conduct its business, including those of council level discussions on risk.

9 Engagement with DSIT and Internal/External Audit

- 9.1 The Chair shall seek engagement with DSIT on significant matters relating to the Committee's areas of responsibility as required. Engagement on issues relating to specific business cases should be led by the executive.
- 9.2 The Head of Internal Audit, GIAA and the NAO shall have confidential access to the Chair.

10 Responsibilities and Duties

The Committee shall review and provide advice to the Board and AO on the adequacy and effectiveness of:

- 10.1 UKRI accounting policies and procedures, the accounts and Annual Report (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 external auditors. In particular, the Committee will review and endorse UKRI draft Annual Accounts for approval by the AO.
- 10.2 The provision of planned activity and results of internal and external audit including approval of the internal audit plans.
- 10.3 The management response to major internal and external audit issues and recommendations identified by audit activity including the external auditor's management letter.
- 10.4 UKRI's delegation arrangements and framework documents which should be reviewed annually by ARAC on behalf of the Board.
- 10.5 UKRI's corporate governance arrangements. ARAC will review and endorse the UKRI's annual Governance Statement for approval by the AO.
- 10.6 UKRI's risk management and financial and non-financial control environment including seeking assurance over the integrity and effectiveness of processes and controls across:
 - the scope and effectiveness of UKRI's risk management strategy, processes and systems
 - the risk registers across UKRI including the Principal Risk Register, the Board risk register, council risk registers, HR risk registers, fraud risk registers and the risk registers for major programmes
 - the management of UKRI's cyber and physical security risks including appropriate risk migration strategies and meeting Government Functional Standards. These include governance, threat intelligence, structure and resources, business continuity, incident response, people, training and awareness
 - the management of key risks and opportunities in line with UKRI's risk appetite as set and approved by the Board
- 10.7 UKRI's assurance framework as set out in the assurance map, including the comprehensiveness, reliability and integrity of assurance available. The Committee shall identify areas of focus each year from the IGRAF framework.
- 10.8 The management of major and business critical projects including management of risks and response to audit or gateway reports. The Committee Chair will liaise with the Board Investment Committee Chair to review risks related to infrastructure investment and with the Organisational Change Committee Chair to review risks related to change programmes, as required.
- 10.9 Integrity of UKRI's performance management processes and its approach to budgetary management, including monitoring in year movements, underspends and overspends and ensuring optimal value for money.
- 10.10 The Research Councils' Pension Scheme (RCPS) and other UKRI subsidiaries and associated pension schemes as identified including the review of governance and risk management activities, Annual Accounts and internal/external audit of the schemes whilst acknowledging the primary responsibility of pension scheme specific boards of directors and trustees.
- 10.11 UKRI policies and arrangements around regularity, propriety and ethics including:
 - prepared Accounting Officer advice
 - scope and effectiveness of counter fraud policies and strategy
 - whistleblowing policies and processes
 - arrangements for special investigations

- reviewing compliance with regulatory requirements (e.g. Health & Safety, Data Protection, Modern Slavery, Environmental Protection) and Government Functional Standards
- sustainability (e.g. environmental, social and governance)

10.12 Arrangements to manage material litigation.

10.13 Any other matters at the request of the Board or AO.

11 Reporting Responsibilities

11.1 The Committee Chair normally reports by a verbal update to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Adequate time should be made available for Board discussion when necessary. The report shall include the significant issues the Committee considered, the nature and content of the discussion, recommendations and action to be taken.

11.2 The verbal reports are summarised and published within the Board papers.

11.3 Minutes of the Committee meetings or summary report shall be provided to the Head of Internal Audit.

11.4 The Committee shall provide an annual report to the Board and AO on its activities and how it has discharged its duties and responsibilities. This shall support the finalisation of the UKRI Annual Report and Accounts and Governance Statement. It shall include:

- details of the Committee's membership, number of meetings held and attendance over the year
- a summary of the role, work and approach of the Committee to the principal cases and issues that the Committee has considered
- significant areas of risk and remaining exposure for the Board's attention and the adequacy of action plans and mitigation progress

12 General Matters

The Committee shall:

- operate in accordance with all relevant laws, regulations, published best practice and guidance. This includes the HERA, Corporate Governance Code of Good Practice for Central Government Departments, HMT ARAC Handbook, HMT Managing Public Money and HMG The Orange Book
- have access to sufficient resources to carry out its duties, including access to the Secretariat for advice and assistance
- be provided with appropriate and timely training in the form of an induction programme for new members and on an ongoing basis for all members
- work and liaise as necessary with other Committees ensuring interaction between Committees and with the Board is reviewed regularly
- conduct an internal self-evaluation of its performance and effectiveness each year and an externally facilitated evaluation with independent input at least once every three years. The findings shall be reported to the Board as part of the Committee's annual report
- ensure individual ARAC members are appraised annually by the Chair

- at least annually, as required by the Board or due to changes elsewhere such as to the UKRI Framework Document, review the Committee's constitution and Terms of Reference (ToR) to ensure it is operating at maximum effectiveness. It shall recommend any changes it considers necessary to the Board for approval

12.1 The Committee's Terms of Reference shall be made available on the UKRI website.

13 **Authority**

13.1 The Committee is authorised to:

- conduct investigations and seek any information it requires to discharge its role from any employee of UKRI, including through their attendance at a meeting or the provision of a written report
- request the attendance of additional participants for any item or Committee meeting as and when required
- establish sub-committees and delegate any matters to another committee or persons in accordance with the HERA
- liaise with internal and external auditors
- obtain legal or other professional specialist advice on any matters within its Terms of Reference at UKRI expense and in accordance with UKRI policies or as agreed by the Board

Annexes:

- A. Members of the Audit and Risk Assurance Committee
- B. Document Control Sheet

January 2025

Audit And Risk Assurance Committee Membership

The members of the Audit and Risk Assurance Committee (ARAC) are:

1. **Non-Executive Board Members:** The following members are appointed to the ARAC

	Appointed	End of Tenure
Ruwan Weerasekera (Chair)	20 Sep 2021	19 Sep 2025
Ian Chapman (Deputy Chair)	01 July 2024	29 Feb 2028
Rita Dhut	28 Oct 2024	28 Oct 2027
Russell Schofield-Bezer	20 Oct 2024	28 Oct 2027

2. **Independent External Members:** The following members are appointed to ARAC

	Appointed	End of Tenure
Christina Coker	1 Apr 2021	31 Mar 2027 (extended)
Philip Greenish	1 Apr 2021	31 Mar 2027 (extended)
Fiona Sheridan	1 Apr 2021	31 Mar 2025 (extended)
Alison Jarvis	1 Jan 2024	31 Dec 2026
Karen Kröger	1 Jan 2024	31 Dec 2026

3. **UKRI Attendees:**

Chief Executive Officer	Ottoline Leyser
Chief Finance Officer	Siobhan Peters
Finance Director	Juliette Meek
Chief Information Officer	Christine Ashton
Director Risk and Assurance	Rod Viggers

4. **Other Attendees:**

DSIT	Isabel Curtis
NAO	Naseem Ramjan & Samad Hussain
GIAA	Lynda Oates

5. **Secretariat:**

The Audit and Risk Assurance Committee will be provided with a secretariat function by:

- UKRI Head of Corporate Governance and Secretariat: Tim Russell
- Nominated UKRI Secretariat Team:
 - Corporate Services Secretariat Lead Elizabeth Carrington-Porter
 - Corporate Services Secretariat Manager Sara Brown



**Audit & Risk Assurance Committee
Document Control Sheet**

Document Control	
Original Version	V1 Audit, Risk Assurance and Performance Committee (ARAPC)
Effective from date	April 2018
Approved by	UKRI Board and BEIS in the formation of UKRI
Date of approval	April 2018
Date of last review	December 2022
Date of next review	August 2025
Retention Period	In accordance with UKRI policy
Owner	UKRI Corporate Services Secretariat
Author(s)	UKRI Corporate Services Secretariat

Version Control				
Version number	Status	Revision date	Author (s)	Summary of changes
V1	Retired	December 2022	UKRI Corporate Services Secretariat	Change of remit and name changed to ARAC
V2	Retired	July 2023	UKRI Corporate Services Secretariat	Updated for DSIT and current remit
V3	Retired	August 2024	UKRI Secretariat	Updated DOI Statement 3.15.
V4	Active	August 2025		

Amendment History		
Version	Date	Comments / changes
V1	April 2018	Inaugural Terms of Reference
V2	December 2022	Change of Committee name and roles and responsibilities
V3	July 2023	Update for DSIT inauguration and current UKRI remit Approved by UKRI Board in July 2023
V4	July 2024	ToR reviewed, no changes identified except for updated 3.15 re: Declarations of Interest