

Annex 2 – TERMS OF REFERENCE OF BSB COMMITTEES AND THE IDB

Annex 2a - Governance, Risk and Audit Committee

The Terms of Reference of the Governance, Risk and Audit Committee are:

Purpose

1. to support the Board in achieving its strategic objectives by providing assurance on the effectiveness of governance structures, risk management processes and internal controls;
2. to monitor and recommend to the Board action in respect of the effectiveness of the strategic arrangements for governance, risk management and internal audit;

Responsibilities

Governance and Assurance

3. to consider how governance structures and arrangements maintain the independence of the BSB's regulatory functions and support achievement of the BSB's strategic aims and regulatory objectives, and to make recommendations to the Board;
4. to recommend the BSB's Assurance Framework to the Board and to ensure its continued effectiveness through periodic review;

Risk

5. to make recommendations to the Board on its risk management strategy and processes, including its Risk Framework, Risk Index and Risk Outlook;
6. to provide oversight of risk management processes, monitoring compliance and challenging management on the adequacy of actions taken and planned;
7. to provide assurance to the Board and advising on risks where it considers further action is required;
8. to provide assurance to the joint Audit Committee of the Bar Council and the BSB on the effective operation of the processes to manage risk;

Controls and Internal Audit

9. to consider the effectiveness of the BSB's control systems and internal business processes;
10. to periodically review the Business Continuity Plan;
11. to provide oversight of the internal audit function. To appoint the Board's Internal Auditors and agree the annual audit plan including any audit reviews that the Board wishes to be conducted and any audit reviews of shared services that are jointly commissioned with the GCB;
12. to monitor and provide assurance to the Board on the effectiveness of the management response to issues identified by audit activity;

13. to monitor the performance of the Internal Auditors;

Compliance

14. to periodically review BSB compliance with its statutory and regulatory obligations including Data Protection and Anti-Money Laundering Regulations;
15. to monitor the GCB's whistleblowing processes and the arrangements for investigating fraud, corruption and error to ensure they remain appropriate for the BSB;
16. to facilitate the Committee's discharge of its responsibilities in relation to particular items of business, if necessary, procure specialist ad-hoc advice at the expense of the BSB, subject to that expense being agreed by the Board.

The membership of the Governance, Risk and Audit Committee shall be:

1. A lay chair who must also be a Board member;
2. Two other members who must be Board members; and
3. No fewer than two, and no more than three, other members who must not be Board members.

Quorum

4. The quorum for meetings of the Governance, Risk and Audit Committee is three members.