

Black Country Consortium Limited

Audit Committee

Terms of Reference

1. Role and Purpose

- 1.1 The Audit Committee shall be given authority under agreed terms of reference to undertake specific duties. It will have no executive powers of its own.
- 1.2 The Committee shall have the overall objective of providing oversight of, and advising, the Board of Directors on the effectiveness of Black Country Consortium Limited systems of governance, internal financial control and risk management. This will ensure that the highest standards of propriety in the use of public monies are maintained and proper accountability for the use of those monies.
- 1.3 In undertaking its role, the Audit Committee shall have access to any individual who can supply relevant information, including employees and professional advisors and be able to examine any of the records and information held by the Company subject to the requirements of any relevant legislation.

2. Membership

- 2.1 Members of the Audit Committee shall be appointed by the Board of Directors and will comprise Chair, a Suitable Cabinet Member or officer nominated and drawn from the Guarantee Members and two members drawn from or nominated by Black Country Consortium members.
- 2.2 The Chair of the Audit Committee shall be approved by the Board of Directors and will not be the Chairman of the Company. The Chair will be nominated by or drawn from the non-executive Directors of the Company (the private sector members of the Black Country Local Enterprise Partnership (LEP))

3. Responsibilities

3.1 The key responsibilities of the Audit Committee will be to monitor and make recommendations to Directors on the corporate governance, risk management and control systems of Black Country Consortium Limited. More specifically, these include:

- Selection and dismissal of the external auditors
- External auditors' remuneration
- Oversight of the external audit process
- Review, monitor and ensure the effectiveness of risk management systems and internal controls
- Monitor and Review the efficiency and effectiveness of accounting and financial control and management systems
- Policy on whistleblowing
- Ensuring that resources are used efficiently and effectively

3.2 The Audit Committee will also keep under review and make recommendations concerning the management and co-ordination of the investment and other funding streams that are the responsibility of the Company or LEP to ensure that the funds are used efficiently and effectively in a manner that maximises the benefits for the Partnership, Company, partners and stakeholders and the Black Country as a whole

3.3 The Audit Committee shall prepare a separate section of the annual report to describe its work, and the Audit Committee Chair shall be present at the AGM to answer questions.

3.4 Directors shall review the effectiveness of the Audit Committee on an annual basis and amend its remit as necessary.

4. Meetings

4.1 The Audit Committee shall meet quarterly, prior to Directors meetings, and will report back on its recommendations to Directors at subsequent meetings. The Chair may call additional meetings if necessary, and may have private meetings with the external auditors if required.

4.2 The agenda and any supporting papers shall be circulated at least 7 days before Committee meetings.

4.3 The attendance of at least two Audit Committee Members will be necessary for the meeting to be quorate.

4.4 The Chief Executive will be invited to attend the meetings, and the Chairperson of the Board of Directors may attend by specific invitation. The attendance of other third parties with relevant experience and expertise will be secured if it is considered necessary.

4.5 The Clerk to the Board of Directors will be the Clerk to the Audit Committee.

5. UK Combined Code on Governance

5.1 The relevant provisions of the UK Combined Code on Corporate Governance are appended to these terms of reference.

Sarah Middleton

Chief Executive

Black Country Consortium Limited