



**Credit  
Information  
Governance  
Body**

***Audit and Risk Committee  
Terms of Reference***

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## Background

This Audit and Risk Committee will have the CIGB Board's authority to oversight the management of risks and look after financial reporting matters including the company's relationship with its auditors. Its key responsibilities include:

- Ensure that management has maintained a sound system of internal controls and prepared complete and reliable financial statements and disclosures in accordance with the approved accounting standards.
- Manage the relationship with audit firms to ensure that the company has a fair choice of suitable auditors
- Oversight of an effective global risk management framework reasonably designed to identify, assess, and manage CIGB strategic, credit and reputation, market, and operational risks.
- Maintain oversight over the CIGB financial systems and employees responsible for managing finances, including setting appropriate policies in this regard.
- When prescribed in the Compliance and Enforcement Policy of the CIGB, to consider at the first instance non-compliance by subscribers of the CIGB scheme rules.

The Audit and Risk Committee is authorised by the CIGB Board to:

- Seek any information it requires from any employee or officer of the Body.
- Obtain external legal or other professional advice, subject to budget approval.
- Call any officer or employee to be questioned at a meeting of the Audit and Risk Committee.
- Access the Body's auditors (internal and external) without management being present.

## Purpose and Goals

The Audit and Risk Committee is a sub-committee of the CIGB Board of the CIGB. Its purpose is to provide independent oversight and assurance to the CIGB Board regarding:

- The integrity of financial and non-financial reporting.
- The effectiveness of internal controls and risk management systems.
- The independence and effectiveness of internal and external audit functions.
- Compliance with legal, regulatory, and ethical obligations.
- Oversight of the organisation's risk exposure, including reputational, operational, strategic, financial, and cyber risks, particularly as they relate to the use, sharing, and governance of credit information.

## Functions

### *Financial Reporting*

- Review the annual financial statements before submission to the CIGB Board.
- Ensure the integrity and transparency of financial reporting.
- Review significant accounting judgements and estimates.

### *Internal Controls and Risk Management*

- Review the effectiveness of internal control and risk management systems.
- Monitor risk exposure across the organisation, particularly related to:
  - Data privacy and security of credit information
  - Regulatory compliance
  - Reputational and stakeholder risks
  - Technology and cyber threats
  - Review the Risk Register and Risk Appetite Framework.

### *Internal Audit*

- Review and approve the internal audit function's role and mandate.
- Review and approve the internal audit plan.
- Assess the effectiveness of the internal audit function.
- Monitor management's responsiveness to internal audit findings.

### *External Audit*

- Recommend the appointment, reappointment, or removal of the external auditor.
- Review and approve the external audit plan and fees.
- Assess the independence and effectiveness of the external audit process.
- Review findings and monitor management responses.

### *Compliance and Legal*

- Oversee compliance with statutory, regulatory, and governance requirements.
- Monitor whistleblowing procedures and any significant reports.
- Review the effectiveness of systems to detect fraud and financial irregularities

## Audit and Risk Committee members

- The Audit and Risk Committee Chair shall be the INED skilled in accountancy, audit and financial risk assessment
- The Audit and Risk Committee shall comprise at least three members, appointed by the CIGB Board.
- The Chair of the CIGB Board shall not be a member of the Audit and Risk Committee.

- A majority of members should be independent non-executive directors or external experts, particularly with knowledge of data governance, credit information, or risk management.
- The Audit and Risk Committee Chair shall be appointed by the CIGB Board.
- Each Director should recuse itself from decisions at a committee that could have a bearing on their own role at the CIGB.

### Audit and Risk Committee Chair Responsibilities

The Audit and Risk Committee Chair holding responsibility for producing and publishing

- Schedule of Audit and Risk Committee Meetings
- Minutes from these meetings including attendees and voting
- Report to CIGB Board
- Matters for escalation
- The Chair is to make every effort to ensure confidentiality is observed by all participants, which may include NDAs or other contractual commitments put in place where such matters are not incorporated by the Subscription Contract.

### Meeting Schedule

The Audit and Risk Committee must meet at least quarterly and at least two weeks prior to the next CIGB Board quarterly meeting. This allows for minutes and matters requiring escalation to the CIGB Board to be prepared and submitted in the CIGB Board pack and added to the CIGB Board agenda for discussion.

- The quorum for meetings shall be two members.
- Only members of the Audit and Risk Committee have the right to attend meetings. However, others (e.g. GM, Chair of CIGB Board, external/internal auditors) may be invited to attend all or part of any meeting as appropriate.
- The Audit and Risk Committee shall meet with the external and internal auditors at least once a year without executive management present.
- Secretariat support will be provided to ensure accurate minute-taking and circulation of papers.

Meetings can be called in between these regular scheduled meetings if required to address urgent matters.

## Report

The Audit and Risk Committee report must be standard in format and include:

- Attendees
- Apologies
- Action Log Update from Previous Meeting
- Risk Register
- Incident and Breach Log
- Conflicts of Interest Register
- Gifts and Hospitality Register
- Complaints Log
- Transparency Log
- Matters Submitted for Consideration – Special decision or Referral
- Sub Working Group and other committees' update
- Votes
- AOB

The report must be submitted to the CIGB Board as per the schedule detailed in the Meeting section.