

AUDIT COMMITTEE

Review of Terms of Reference & Annual Workplan 2015/16

	Summarised Terms of Reference	Meetings 2015/16						Source of Assurance/ Comment
		21 May	30 June	06 Oct	15 Dec	16 Feb	05 Apr	
1 Financial Reporting	To review the annual financial statements	X						Annual Accounts and Annual Report
2 Governance, Internal Control and Risk Management	2.1 assurance on the overall processes of risk management, governance and internal control. ensure that clinical and information objectives and risks are firmly included in the Assurance Framework and assurance on the management and control of these risks., the minutes of the Corporate Governance, Information Governance and Clinical Governance and Quality Committees shall be received routinely.	X					X	Annual Governance Statement
	2.2 In particular, the Audit Committee will review the adequacy of: i) all risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with Care Quality Commission Outcomes), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.	X					X	Annual Governance Statement Annual Internal Audit Report and Head of Internal Audit Opinion Report to those Charged with Governance External Assurance on Quality Report

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	<ul style="list-style-type: none"> ii) the structures, processes and responsibilities for identifying and managing key risks facing the Trust. iii) the policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements as set out by Monitor, Care Quality Commission, Audit Commission, Department of Health and any other bodies which issue applicable directions or standards. iv) the operational effectiveness of policies and procedures. v) the policies and procedures for all work related to fraud and corruption as set out in the Secretary of State Directions and as required by NHS Protect. vi) the processes, structures and procedures to deliver value for money vii) the standing of the Trust in terms of sustaining it as a “going concern”. 		X					<p>Internal Audit Assurance Reports</p> <p>Specific reports from Director of Finance as required</p> <p>Internal Audit Assurance Reports</p> <p>Annual Counter Fraud Report</p> <p>Part of BoD report on Annual Plan & Budget Setting</p>
3 Internal Audit	3.1 To recommend the provider of the internal audit functions to the Board of Directors.							As required
	3.2 To monitor and review the effectiveness of the internal audit function							Review of Internal Audit Annual Report
	3.3 To review and approve the Internal Audit strategy and operational plan,					X		Strategic Audit Plan Annual Audit Plan
	3.4 To receive regular reports from the internal auditor on completed audit reports and the response by the respective accountable manager.		X	X	X	X	X	Internal Audit Position Statement

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	3.5 To review the annual report of the internal auditor, prior to its consideration by the Board of Directors.	X						Annual Internal Audit Report and Head of Internal Audit Opinion
	3.6 To approve and regularly review the Terms of Reference for the internal audit function.				X			Internal Audit Charter & Terms of Reference
	3.7 To advise the Board of Directors if it is considered that the level of audit resources will prejudice the ability of the internal auditor to deliver a service consistent with the definition of Internal Audit.							As required
	3.8 To approve performance measures and criteria for the internal audit function, which shall be set out in a Service Level Agreement.					X		Internal audit Charter & Terms of Reference
	3.9 To receive the results of any external quality reviews of the internal audit function. These would ordinarily be provided by the external auditor.							Consideration of reports published by regulatory body
	3.10 To advise the Accountable Officer of the adequacy of management responses to internal audit advice and to make recommendations where required and appropriate.		X	X	X	X	X	Internal Audit Position Statement Follow up of agreed actions
	3.11 To advise the Accountable Officer of the arrangements made for co-operation between internal audit, external audit and other review bodies.							Annually as part of Annual Governance Statement
4 External Audit	4.1 To provide advice as required to the Council of Governors with regard to the process for the selection and appointment of the external auditor.							As required {Feb/March 2017}
	4.2 To advise the Council of Governors on the appropriateness of proposed fees for audit or non-audit services and on the adequacy of those fees in securing an							As required {Feb/March 2017}

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	appropriately detailed audit.							
	4.3 To discuss the External Audit Plan with the external auditor prior to commencement of the external audit and in particular the extent of any reliance placed upon internal audit.					X		External Audit Plan
	4.4 To receive and review reports of the studies and work of the external auditor.		X	x	x	x	<u>x</u>	Report to those charged with Governance Briefings as required
	4.5 To discuss any problems or reservations arising from the external auditor's work and any matters which the external auditor may wish to discuss. Without exception, there shall be an opportunity at the completion of the Agenda for the Non-Executive Directors to meet with either or both of internal and external audit, collectively or separately.	X	X	X	X	X	X	Audit Committee members meet privately with Internal & External Audit at the conclusion of every meeting
	4.6 To review the detail arising from the "Annual Audit Letter" addressed to the Board of Directors.	X						Report to those Charged with Governance
5 Other Assurance Functions	5.1 The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation.							On publication of assurance reports by regulatory bodies etc
	5.2 These will include, but will not be limited to, any reviews by Department of Health Arms Length Bodies or Regulators/Inspectors (e.g. Care Quality Commission, NHS Litigation Authority, etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.)							On publication of assurance reports by regulatory bodies etc

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	5.3 In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work.							Reporting arrangements to be established
	5.4 In reviewing the work of the Clinical Governance and Quality Committee, and issues around clinical risk management, the Audit Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function							Reporting arrangements to be established
6 Others Matters	6.1 To consider the content of any report involving the Trust issued by the Public Accounts Committee or the Comptroller and Auditor General and to review management's proposed response, prior to submission to the Board of Directors.							As required
	6.2 To review consultation and guidance documents issued by Monitor and pertaining to the business and financial affairs of the Trust and respond as required and appropriate.				X			Review impact of new ARM
	6.3 To review the adequacy of the Board Assurance Framework and ensure it is monitored by Risk Management Assurance Group, refreshed periodically and any high risk issues are reported to the Board of Directors.	X						Annually as part of Annual Governance Statement
	6.4 To examine the circumstances associated with each and every occasion when Standing Orders are waived and vouch to the Board that the waiving was appropriate and necessary in each circumstance.	X	X	X	X	X	X	Standing Item – Variations to SO/SFIs
	6.5 To review schedules of losses and compensation and make recommendations to the Board of Directors where called for	X	X	X	X	X	X	Standing Item – Losses & Special Payments
	6.6 To monitor the implementation of policy on standards of				X			Annual Review of

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	business conduct for Directors and staff (i.e. Codes of Conduct and Accountability) in order to offer assurance to the Board of Directors of probity in the conduct of the Trust's business.							Standards of Business Conduct
	6.7 To ensure that all members of the Committee receive appropriate and timely training, concomitant with their individual needs, both upon induction and on a continuing basis.			X				Drawn from Annual Self-Assessment
	6.8 To conduct an annual self-assessment of the work of the Committee and compliance with the Terms of Reference and to present an annual report to the Board of Directors.			X				Annual Self-Assessment - Led by Chair in Private Agenda
Minutes	The minutes of the Audit Committee meetings shall be formally recorded and submitted to the Board of Directors. The minutes will be approved electronically by Committee members within two weeks of respective meetings being held. Where actions arise from the minutes, these will be requested of the respective individual(s) by the Chair (or Vice Chair in the Chair's absence) of the Committee within three weeks of the respective meeting being held. The Committee will be supported by the Private Office.	X	X	X	X	X	X	
Reporting	The Committee is accountable to the Board of Directors and as such will present an annual workplan for the following financial year to the Board of Directors in March of each year. The Committee will present an annual report on its work to the Board of Directors in April of each year. A full copy of all Committee agenda papers will be made available to the Chair of the Board of Directors for information. The Committee shall request an annual assurance statement from the Chair of Clinical Audit that the necessary systems and processes						X	

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	are place for the purpose of clinical audit.							
Reviewing	These Terms of Reference will be reviewed annually by the Committee and any changes recommended to the Board of Directors.					X		