

TERMS OF REFERENCE

COMMITTEE	AUDIT COMMITTEE
PURPOSE	<p>The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee (The Committee). The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference.</p>
MEMBERSHIP	<p>Chair: One of the members will be appointed Chair of the Committee by the Board. The Chairman of the organisation shall not be a member of the Committee.</p> <p>Membership: The Committee shall be appointed by the Board from amongst the Non-Executive directors of the Trust and shall consist of not less than three members.</p> <p>In attendance: The Director of Finance, Co-Director for Accounting & Financial Services and Head of Governance & Client Accounting and appropriate Internal and External Audit representatives shall normally attend meetings. However at least once a year the Committee should meet privately with the External and Internal Auditors.</p> <p>Other members of the Trust Executive team may be invited to attend to discuss areas of internal control following a limited or unacceptable internal audit report that falls within their operational responsibility.</p> <p>A representative of the DoH may attend meetings.</p> <p>The Chief Executive of the Trust should be invited to attend at least annually to discuss the process for assurance that supports the Governance Statement.</p> <p>Secretary: The Head of Office of the Chief Executive, or their nominee, shall be Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chairman and committee members.</p>

	<p>Member appointments:</p> <p>The membership of the Audit Committee shall be determined by the Trust Chair in conjunction with the Audit Committee Chair taking into account the skills and expertise necessary to deliver the Audit Committee's remit.</p>
<p>DUTIES</p>	<p>The duties of the Committee can be categorised as follows:</p> <p><u>Governance and Internal Control</u></p> <p>The Committee will:</p> <ul style="list-style-type: none"> • oversee the establishment and maintenance of an effective system of governance and internal control • review the adequacy of all control related disclosure statements (in particular the Mid-Year Assurance Statement and the Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to the Trust's Annual Report and Accounts being endorsed by the Board • review the adequacy of the policies for ensuring compliance with relevant regularity and legal requirements, including the Trust's Standing Orders and Standing Financial Instructions • review the adequacy of the policies and procedures for all work related to fraud and corruption as required by the DoH and BSO Counter Fraud Services • receive and review regular reports of incidents of fraud and theft • review the outcome of National Fraud Initiative exercises • review direct award contracts or any other exceptional financial transactions or shared learning e.g. from large capital post project evaluations (PPEs). <p>In carrying out its work, the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these functions.</p> <p><u>Internal Audit</u></p> <p>The Committee shall ensure that there is an effective internal audit function established by management that meets the Public Sector Internal Audit Standards (PSIAS) and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:</p> <ul style="list-style-type: none"> • consideration of the provision of the Internal Audit service • review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation • consideration of the Chief Internal Auditor's annual report, major findings of internal audit work (and management's response), and

- ensure co-ordination between the Internal and External Auditors to optimise audit resources
- ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation
- annual review of the effectiveness of internal audit

External Audit

The Committee shall review the work and findings of the External Auditor appointed by the Northern Ireland Audit Office and consider the implications of, and management's responses to, their work. This will be achieved by:

- consideration of the performance of the External Auditor
- discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan
- discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust
- review of all External Audit reports, including consideration of the Report to Those Charged with Governance (RTTCWG) before submission to the Board and any work carried out outside the annual audit plan, together with the appropriateness of management responses.

Financial Reporting

The Audit Committee shall review the financial extract of the Trust's Annual Report and the Financial Statements before submission to the Board, focussing particularly on:

- the wording in the Governance Statement and other disclosures relevant to the Terms of Reference of the Committee
- changes in, and compliance with, accounting policies and practices
- unadjusted mis-statements in the financial statements
- major judgemental areas
- significant adjustments resulting from the audit
- the statement of losses
- the Letter of Representation to C&AG

The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

Value For Money

The Audit Committee shall oversee the adequacy of the Trust's arrangements for ensuring that value for money is obtained in the expenditure of all public funds entrusted to its care. This will include a review of the findings from, and management's response to, all value for

	money audit reports issued to the Trust as part of the regional VFM programme sponsored by DoH.
AUTHORITY	The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
MEETINGS	<p>Quorum: A quorum shall be three members.</p> <p>Frequency of Meetings Meetings shall be held not less than four times a year. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.</p> <p>The Chair of the Committee may convene additional meetings as is deemed necessary.</p> <p>An annual workplan will be maintained capturing the main items of business at each scheduled meeting,</p> <p>Papers The Committee shall be supported administratively by the Head of Office of the Chief Executive, whose duties in this respect will include:</p> <ul style="list-style-type: none"> • Agreement of agenda with the Chair of the Committee • Collation and distribution of papers sufficiently in advance of each meeting to facilitate their full consideration and discussion at the meeting • Taking the minutes and keeping a record of matters arising and issues to be carried forward • Advising the Committee on pertinent areas • Assist the Chair in ensuring the effective operation of the Committee • Arranging the attendance of appropriate staff at meetings • Ensuring the annual review of these Terms of Reference and the making of recommendations for updating • Development and maintenance of the Committee's Meeting Schedule • Ensuring that new members received appropriate induction training and that all members are supported in identifying and participating in ongoing training.

	<p>Meeting Arrangements</p> <p>The Chair of the Audit Committee in discussion with the Audit Committee Secretary shall determine the time and place of meetings and procedures of such meetings.</p> <p>Withdrawal of individuals in attendance</p> <p>The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of a particular matter.</p>
<p>REPORTING</p>	<p>The minutes of Audit Committee meetings shall be formally recorded by the Head of Office of the Chief Executive and submitted to the Board. The Chair of the Committee shall present a written summary report on the meeting ,drawing to the attention of the Board any issues that require executive action.</p> <p>The Chair of the Committee will meet with the Trust Chairman and Accounting Officer as and when required and draw to their attention any matters that require executive action of disclosure to the full Trust Board.</p> <p>The Committee will report to the Board annually on its work in support of the Governance Statement, specifically commenting on the fitness for purpose of the Governance Framework, the completeness and embeddedness of risk management in the organisation and the integration of governance arrangements.</p> <p>An annual Committee effectiveness evaluation will be undertaken and reported to the Committee and the Board.</p>
<p>CONFLICT/ DECLARATION OF INTEREST</p>	<p>The Chair shall seek and record any declaration or conflict of interest from members prior to every meeting of the group. During the course of a meeting, if a Conflict of Interest is established, the member concerned should withdraw from the discussion / meeting and play no part in the relevant discussion or decision. The Conflict of Interest should be recorded in the minutes.</p>
<p>REVIEW</p>	<p>These terms of reference and operating arrangements will be reviewed on at least an annual basis by the group.</p>