

TERMS OF REFERENCE

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| 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:</p> <p>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:</p> <p>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:</p> <p>The Director of Finance 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>Executive members of the Trust will be invited to attend to provide information to the Committee as necessary.</p> <p>A representative of the DoH may attend meetings.</p> <p>Secretary:</p> <p>The Trust Secretary, or whoever covers these duties, 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 Audit Committee, based on the recommendations of the Chair taking into account the skills and expertise necessary to deliver the Audit Committee's remit.</p> |

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| <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 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 endorsement by the Board • review the adequacy of the policies for ensuring compliance with relevant regularity, legal and code of conduct 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, corruption and whistleblowing as required by the DoH and BSO Counter Fraud Services • review the annual schedule of losses and compensation payments and make recommendations regarding approval • review single tenders actions (STAs) 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 <p><u>External Audit</u></p> |
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| | <p>The Committee shall review the work and findings of the External Auditor appointed by the NI Audit Office and consider the implications of, and management’s responses to, their work. This will be achieved by:</p> <ul style="list-style-type: none"> • 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. <p><u>Financial Reporting</u></p> <p>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:</p> <ul style="list-style-type: none"> • 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 <p>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.</p> <p><u>Value For Money</u></p> <p>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.</p> |
| AUTHORITY | <p>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.</p> |
| MEETINGS | <p>Quorum:</p> <p>A quorum shall be three members</p> |

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| | <p>Frequency of Meetings</p> <p>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>Papers</p> <p>The Committee shall be supported administratively by the Trust Secretary, whose duties in this respect will include:</p> <ul style="list-style-type: none"> • Agreement of agenda with the Chairman and attendees • 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. <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 Trust Secretary and submitted to the Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.</p> <p>The Chair will meet with the Trust Chairman and Accounting Officer as and when required and draw to their attention any matters that require executive action or 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>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.</p> |

REVIEW

These terms of reference and operating arrangements will be reviewed on at least an annual basis by the group.