

NHS Scarborough and Ryedale Clinical Commissioning Group

Audit and Governance Committee Terms of Reference

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TERMS OF REFERENCE AMENDMENTS

Amendments to the Terms of Reference will be issued from time to time. A new amendment history will be issued with each change.

New Version Number	Author/Editor	Nature of Amendment	Approved By	Date
1.0	Accountable Officer (Chief Officer)	None	Governing Body	
2.0	Associate Director of Corporate Affairs	Reviewed – No amends	A&G Committee	22/07/16
3.0	Corporate Services Manager	Remove the requirement that a representative from NHS Protect should attend the Audit and Governance Committee	A&G Committee	21/07/17

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1 Title

- 1.1 The Committee shall be known as the Audit and Governance Committee of the Scarborough and Ryedale Clinical Commissioning Group (SRCCG) and is established in accordance with the constitution, standing orders and scheme of delegation.

2 Accountable To

- 2.1 The Committee shall be accountable to the Governing Body of SRCCG.

3 Reporting Arrangements

- 3.1 The Committee's Terms of Reference shall be agreed by the Governing Body of SRCCG.
- 3.2 The minutes of the Committee shall be formally recorded and submitted by the Committee Chair to the SRCCG Chair within seven calendar days of the meeting
- 3.3 The composition of the Committee shall be published in the Annual Report.

4 Duties

- 4.1 This Committee will ensure delivery of the Audit Schedule monitor delivery, report progress and provide assurance to the Governing Body.

5 Authority

- 5.1 The Committee shall critically review the Clinical Commissioning Group's financial reporting and internal control principles and ensure an appropriate relationship with internal and external auditors is maintained.
- 5.2 The duties of the Committee will be driven by the priorities identified by the CCG and the associated risks. It will operate to a programme of business, agreed by the CCG that will be flexible to new and emerging priorities and risks.
- 5.3 The Committee shall request and review reports and positive assurances from Directors and managers on the overall arrangements for governance, risk management and internal control

- 5.4 The Committee may also request specific reports from individual functions within the CCG as they may be appropriate to overall arrangements.
- 5.5 The Committee is authorised by the Governing Body to investigate any activity within its Terms of Reference.
- 5.6 The Committee is authorised to seek any information it requires from any member of the group and all employees are directed to cooperate with any request made by the Committee
- 5.7 The Committee is authorised to obtain outside legal or other independent professional advice and to secure attendance of outsiders with relevant experience and expertise it considers necessary

6 Objectives

- 6.1 The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the CCG's activities that support the achievement of the CCGs objectives. It will work closely with the Quality and Performance Committee
- 6.2 The Committee will review the adequacy and effectiveness of all risk and control related disclosure statements (in particular governance statements) together with any appropriate independent assurances, prior to endorsement by the CCG
- 6.3 The Committee will review the adequacy and effectiveness the underlying assurance processes that indicate the degree of achievement of CCG objectives, the effectiveness of the management of principles of risk and the appropriateness of the above disclosure statements
- 6.4 The Committee will review the adequacy and effectiveness the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self certification.
- 6.5 The Committee will review the adequacy and effectiveness of 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 the NHS Counter Fraud and Security Management Service.

7 Internal Audit

7.1 The Committee shall ensure that there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Accountable Officer and Clinical Commissioning Group. This will be achieved by:

- Consideration of the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal.
- 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, as identified in the assurance framework.
- Considering the major findings of internal audit work (and management's response) and ensuring 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 Clinical Commissioning Group.
- An annual review of the effectiveness of internal audit.
- Drawing the Committee's attention to best practice, national guidance and other relevant documents, as appropriate.

8 External Audit

8.1 The Committee shall review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- Consideration of the performance of the external auditors, as far as the rules governing the appointment permit.
- Discussion and agreement with the external auditors, before the audit commences, on the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy.
- Discussion with the external auditors of their local evaluation of audit risks and assessment of the Clinical Commissioning Group and associated impact on the audit fee.

- Review of all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Clinical Commissioning Group and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

9 Other assurance functions

- 9.1 The Audit and Governance Committee shall review the findings of other significant assurance functions, both internal and external and consider the implications for the governance of the Clinical Commissioning Group. These will include, but will not be limited to, any reviews by Department of Health arm's length bodies or regulators/inspectors (for example, the Care Quality Commission and NHS Litigation Authority) and professional bodies with responsibility for the performance of staff or functions (for example, Royal Colleges and accreditation bodies).

10 Counter Fraud

- 10.1 The Committee shall satisfy itself that the Clinical Commissioning Group has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work. It shall also approve the counter fraud work programme.

11 Management

- 11.1 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control. The Committee may also request specific reports from individual functions within the clinical commissioning group as they may be appropriate to the overall arrangements.

12 Financial Reporting

- 12.1 The Audit and Governance Committee shall monitor the integrity of the financial statements of the Clinical Commissioning Group and any formal announcements relating to the Clinical Commissioning Group's financial performance.

12.2 The Committee shall ensure that the systems for financial reporting to the Clinical Commissioning Group, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Clinical Commissioning Group.

12.3 The Audit and Governance Committee shall review the annual report and financial statements before submission to the governing body and the clinical commissioning group, focusing 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, practices and estimation techniques;
- Unadjusted mis-statements in the financial statements;
- Significant judgements in preparing of the financial statements;
- Significant adjustments resulting from the audit;
- Letter of representation; and
- Qualitative aspects of financial reporting.

13 Training & Briefing

13.1 The Committee shall ensure all members have the skills and access to support in order to carry out their role.

14 Membership

14.1 The Committee shall be appointed by the SRCCG Governing Body and may include individuals who are not on the governing body. It shall consist of not less than three members:

- Lay member of the Governing Body
- Governing Body secondary care consultant
- A GP or practice manager

14.2 The Chair shall be a Lay member of the Governing Body.

14.3 The Chair of the Governing Body will not be a member of the Committee

14.4 In the event of the Committee Chair being unable to attend a meeting, he or she will nominate a replacement from within the membership to deputise.

14.5 Membership may be reviewed by the Committee as required.

14.6 A secretary will be identified from within the CCG and they will be responsible for supporting the Chair. This will include arranging formally minuting and archiving all reports and documentation associated with the Committee business.

15 Quorum

15.1 No business shall be transacted unless there are at least two members present, of which at least one shall be a Lay member of the Governing Body.

16 Attendance

16.1 In addition to the members of the Committee the Chief Finance Officer and the respective appointed external and internal auditors will normally attend meetings.

16.2 At least once a year the Committee should meet privately with the external and internal auditors

16.3 Regular attendance at Committee meetings leads to improved decision making and continuity of management.

- 16.4 Frequency of attendance by members and attendees will be reviewed by the Committee Chair at least annually.
- 16.5 Regardless of attendance, external audit, internal audit, local counter fraud and security management (NHS Protect) providers will have full and unrestricted rights of access to the Audit and Governance Committee
- 16.6 The accountable officer (chief officer) will normally attend and will discuss, at least annually with the Committee, the process for assurance that supports the annual governance statement
- 16.7 Any other directors) or similar) may be invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of the director
- 16.8 The Chair of the Governing Body may also be invited to attend one meeting each year in order to form a view on, and an understanding of, the Committees operations.

17 Frequency

- 17.1 The Committee will meet at least four times a year.
- 17.2 The external auditors or Head of internal audit may request a meeting if they consider it necessary
- 17.3 Ten calendar days notice will be provided of the meeting and any documents to be considered / discussed at the meeting will be circulated to the Committee at least two calendar days prior to the meeting.

18 Declaration of Interests

- 18.1 Members are required to declare interests prior to the commencement of the Committee and a register of interests will be maintained. The Chair is required to reconfirm this as a standing item on Committee agendas. As per the Standing Orders, individuals may be required to leave the meeting for relevant agenda items at the discretion of the Committee and will no longer count towards the quorum.

19 Review of Committee Effectiveness

- 19.1 The Committee shall undertake a review of its effectiveness at least annually.

19.2 The Committee shall be subject to any review of SRCCG Committees as required.

20 Conduct

20.1 The members of the Committee must ensure that at all times they:

- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned.
- Always strive to maximise value for money through ensuring that services are delivered in the most efficient and economical way, within available resources and with independent validation of performance achieved where practicable
- Are accountable to Parliament, to users, to individual citizens, and to staff for the activities of the bodies concerned, for their stewardship of public funds and the extent to which key performance targets and objectives have been met
- Comply fully with the principles of the Citizens charter and the Code of Practice on Access to Government Information, in accordance with Government Policy on openness.
- Must comply with the Nolan's seven principles of public life
- Bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate documents.

21 Terms of Reference

21.1 These Terms of Reference and any subsequent amendments will be agreed by the SRCCG Governing Body

21.2 The Terms of Reference will be reviewed at least annually and to comply with any national guidance and legislation