

TERMS OF REFERENCE

NAME OF COMMITTEE/SUB-GROUP	AUDIT COMMITTEE
SUMMARY OF ROLE:	<p>Constitution</p> <p>The Board has established 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> <p>Authority</p> <p>The Committee is authorised by the Agency 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 Agency Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders.</p>
REPORTS TO:	<p>Reporting</p> <p>A report of the Audit Committee meetings shall be made to each meeting of the Board. The Chair of the Committee shall draw to the attention of the Agency Board any issues that require disclosure to the full Agency Board, or require executive action.</p> <p>The Audit Committee will provide the Agency Board with a written Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it had done during the year.</p>
RESPONSIBLE FOR (SUB-GROUPS):	-

CHAired BY:	Mr. P. Cathcart
MEMBERSHIP:	<p>The committee shall be appointed by the Board from amongst the Non-Executive Directors of the Board and shall consist of not less than 3 members. One of the members will be appointed as Chair of the Committee by the Chairman of the Board.</p> <p>Attendance</p> <p>The Finance Manager 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>The Chief Executive should be invited to attend at least annually, to discuss with the Audit Committee the process for assurance that supports the Governance Statement.</p> <p>The Committee will be provided with a Secretariat function by the Chief Executive's office who shall attend to take minutes of the meeting and provide appropriate support to the Chairman and committee members.</p>
QUORUM:	A minimum of two members of the Audit Committee will be present for the meeting to be deemed quorate.
MEETING FREQUENCY:	<p>The Audit Committee will meet four times per year. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary. The Chair of the Audit Committee may convene additional meetings, as they deem necessary.</p> <p>The Audit Committee may ask any other officials of the organisation to attend to assist with its discussions on any particular matter.</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 particular matters.</p> <p>The Agency Board may ask the Audit Committee to convene further meetings to discuss particular issues on which they require the Committee's advice.</p>
SECRETARIAT:	Chief Executive's Office
DOCUMENTATION REQUIRED:	<p><u>For each meeting the Audit Committee will be provided with:</u></p> <p>A progress report from the Head of Internal Audit summarising:</p> <ul style="list-style-type: none"> • Work undertaken • Keys issues emerging from Internal Audit work • Management response to audit recommendations

	<ul style="list-style-type: none">• Changes to the agreed Internal Audit plan• Any resourcing issues affecting the delivery of Internal Audit objectives <p>A progress report from the External Audit representative will also be provided summarising work done and emerging findings</p> <p><u>As and when appropriate the Committee will also be provided with:</u></p> <ul style="list-style-type: none">• Internal Audit Charter / Terms of Reference for Internal Audit• The Internal Audit Strategy• The Head of Internal Audit's Annual Opinion and Report• Quality assurance reports on the Internal Audit function• The draft accounts of NIBTS• The draft Governance Statement• A report on any changes to accounting policies• External audit's management letter• A report on cooperation between Internal and External Audit
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<p>REMIT:</p>	<p>The Audit Committee will advise the Agency Board on:</p> <ul style="list-style-type: none"> • the strategic processes for risk, internal control and governance and the Governance Statement in conjunction with the Governance and Risk Committee. • the accounting policies, the accounts, and the annual report of the organisation, including the process for the review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors • the adequacy of the policies for ensuring compliance with relevant regularity, legal and code of conduct requirements, including the Agency's Standing Orders and Standing Financial Instructions • the planned activity and results of both internal and external audit • the adequacy of management's response to issues identified by audit activity including external audits management letter • assurance relating to the corporate governance requirements for the organisation • anti-fraud policies, whistle- blowing processes and arrangements for special investigations • the Audit Committee will also periodically review its own effectiveness and report the results of that review to the Agency Board. <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. It will also seek reports and assurances from other Agency Committees, Heads of Service and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.</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 DoH Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Agency Board. This will be achieved by:</p> <ul style="list-style-type: none"> • 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 • consideration of the Head of Internal Audit'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.
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The Head of Internal Audit and representatives of External Audit will have free and confidential access to the Chair of the Audit Committee.

External Audit

The Committee shall review the work and findings of the External Auditor (NI 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 Agency
- review of all External Audit reports, including consideration of the annual Report to those Charged with Governance 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 Agency'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 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 Agency'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 Agency as part of the regional VFM programme sponsored by DoH.

	<p><u>Other Matters</u></p> <p>The Committee shall be supported administratively by the Chief Executive's office, 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 and advising the Committee on pertinent areas.
<p>COMMUNICATION LINKS WITH OTHER GROUPS</p>	<p>Agency Board</p>