

NHS Resolution Audit and Risk Committee (ARC)

Terms of reference

<p>Scope:</p>	<p>The scope of the Audit and Risk Committee encompasses all the assurance needs of the Board and the Accounting Officer. The Committee’s scope includes engagement with the work of: internal auditors, external auditors, risk management, financial management and consideration of management’s response to risks and issues</p>
<p>Role and main duties:</p>	<p>The role of the Audit and Risk Committee is to support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, the integrity of financial statements and the annual report.</p> <p>The Audit and Risk Committee is a sub-committee of the Board.</p> <p>The Audit and Risk Committee to fulfil its role and responsibilities will consider the following:</p> <ul style="list-style-type: none"> • The assurance processes established by management for governance, risk management, internal control, financial reporting and assurance to secure delivery of objectives • The strategic and high scoring corporate and operational risks, controls and treatment plans (including over controls). In relation to any risk identified outside the risk appetite of the organisation, the Committee will recommend appropriate action to the Board. • All governance, risk and control related disclosure statements (in particular the Annual

	<p>Governance Statement) prior to endorsement by the Board</p> <ul style="list-style-type: none"> • Risk related documents, policies and procedures • The accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management’s letter of representation to the external auditors • The planned activity and results of internal and external audit • The adequacy and effectiveness of management response to issues identified by audit activity, including external audit’s management letter • Assurances relating to the corporate governance requirements for the organisation • Assurances relating to the information governance requirements for the organisation • Advise the Accounting Officer on proposals for the procurement for Internal Audit services, counter fraud services or purchase of non-audit services from contractors who provide audit services, ensuring that these are appropriate to the organisation’s needs and fulfil statutory requirements. • Anti-Fraud, bribery and corruption policies, associated procedures and arrangements for the provision of counter-fraud services • Standing Financial Instructions, Standing Orders, Scheme of Delegation and Reservation, with a review at least every three years with recommendations to the Board • Assurances regarding finance policies and compliance e.g. through the receipt of reports on losses and compensation, waivers of standing orders or other exception reports • Freedom to Speak up processes and arrangements for special investigations • Assurance relating to cyber risk and appropriate risk mitigation strategies
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Chair:	A Non-Executive Director and member of the Board, appointed by the Chair of the Board
Membership:	<p>The Audit and Risk Committee shall comprise up to four members as follows:</p> <p>Two Non-Executive members including the Chair of the Committee</p> <p>Up to two Independent External members, as agreed by the Committee Chair</p>
Attendees:	<p>Attendees at the meeting will be at the invitation of the Chair of the Committee.</p> <p>Audit and Risk Committee meetings will normally be attended by the Chief Executive, Director of Finance and Corporate Planning, the Head of Internal Audit, and the representative of External Audit</p> <p>The Audit and Risk Committee may ask any other officials and advisers of the organisation to attend to assist with any relevant matter</p> <p>The Senior Department Sponsor (SDS) or their nominated representative will have a standing invitation to attend.</p> <p>The Local Counter Fraud Team will be invited to attend meetings at least twice annually.</p> <p>The Chair of the Board will not be a member of the Audit & Risk Committee but will normally have a standing invitation to attend meetings.</p>
Administration:	<p>All members will be provided with appropriate induction and training to support them in their role</p> <p>All members should attend a minimum of three meetings a year</p> <p>A record of meeting attendance will be maintained and included within the Committee Annual Report</p> <p>The Audit and Risk Committee will be provided with a secretariat function</p>

<p>Reporting and Accountability:</p>	<p>The Audit and Risk Committee will report formally in writing to the Board (including the Accounting Officer) after each meeting.</p> <p>The Audit and Risk Committee will provide the Board and Accounting Officer with an Annual Report, (timed to support finalisation of the accounts and Governance Statement), summarising the Committee’s conclusions from its work throughout the year.</p> <p>The approved Committee Terms of Reference will be published and available to the public</p> <p>All those attending a Committee meeting will be asked to declare any conflicts of interest at each meeting and a course of action will be determined accordingly</p> <p>The Audit and Risk Committee may ask anyone who attends the meeting but is not a member to withdraw to facilitate open and frank discussion on a particular subject</p> <p>The Chair of the Committee will report to the Accounting Officer, any issue relevant to the discharge of his/her duties as Accounting Officer</p>
<p>Rights:</p>	<p>The Audit and Risk Committee may:</p> <p>Co-opt up to two independent external members for a period not exceeding three years to provide specialist skills, knowledge and experience</p> <p>Require any member of the organisation to report on the management of risk, or the control environment to assist the Committee in fulfilling its role and responsibilities</p> <p>Procure specialist ad-hoc advice at the expense of the organisation, with any significant expenditure to be agreed with the Accounting Officer.</p>

	<p>The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Committee.</p> <p>The Audit and Risk Committee will meet at least annually in private session with each of external and internal audit</p>
Frequency of meetings:	<p>The Audit and Risk Committee will meet at least four times a year.</p> <p>The Chair of the Audit and Risk Committee may convene additional meetings, as necessary</p> <p>The Board or the Accounting Officer may ask the Audit and Risk Committee to convene further meetings to discuss issues on which they seek the Committee's advice.</p>
Quorum:	<p>The quorum of the Audit and Risk Committee is two members including at least one Non Executive Director and one Independent Member</p>
Monitoring and Assessment:	<p>The Audit and Risk Committee will periodically review its effectiveness and compliance with its Terms of Reference and report the results to the Board</p>
Document Author:	<p>Deputy Head of Corporate Governance</p>
TOR review	<p>The Audit and Risk Committee will review its Terms of Reference annually and submit them for approval to the Board</p>
Approval process	
ARC Endorsement Date :	<p>15 February 2022</p>
Board Approval Date :	<p>23 March 2022</p>

Version control

Date	Author	Version	Reason for change

October 2019	Charlotte Moar	Draft V2.0	Updated membership wording
February 2020	ARC	DraftV2.1	Endorsed TOR's and reporting cycle
March 2020	Board	Draft V2.1	Approved by the Board
March 2020	Catherine O'Sullivan	Final V2.0	Approved as final version
February 2021	Cat O'Sullivan	Draft V2.1	No change – endorsed by ARC as fit for purpose
March 2021	Cat O'Sullivan	Final V2.0	Approved by the Board
February 2022	Cat O'Sullivan	Draft V3.0	No change – endorsed by ARC as fit for purpose
March 2022	Tinku Mitra	Final V3.0	No change approved by Board