

NORTHERN IRELAND PRACTICE AND EDUCATION COUNCIL FOR NURSING AND MIDWIFERY

NIPEC Audit and Risk Committee – Terms of Reference

1.0 Constitutional Authority

The Audit and Risk Committee is an advisory body with no executive powers, other than these specifically delegated in these Terms of Reference. However, it is authorised by the Council to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work, and reports received, from internal audit will be channelled through the Chief Executive.

The Audit and Risk Committee is authorised by the Council 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.

2.0 Membership

The Committee shall comprise of four non-executive members, with a quorum of two.

The Chairman of the Council should not normally be one of these non-executive members, although he/she could be invited to attend meetings where issues discussed are pertinent to the whole Council.

The Chief Executive, in her role as the Accountable Officer, will normally attend meetings of the Committee either to form a view and understanding of the Committee's operation or to provide assurances and explanations to the Committee on specific issues.

The Audit and Risk Committee will be chaired by a member of the Council other than the Chairman or Chief Executive, who has relevant management expertise.

The Chairman and members of the Audit and Risk Committee shall be appointed by the Council. Other non-executive NIPEC members may also be invited by the Chair of the Audit and Risk Committee to attend the Committee.

The Secretary of the Audit and Risk Committee will be responsible for the circulation of the agenda, minutes, and papers to the members of the Committee and the circulation of the minutes to all members of the Council.

3.0 Frequency of Meetings

The Audit and Risk Committee will normally meet on four occasions each year and there will be at least three meetings per annum. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

The Audit and Risk committee may ask any or all those who normally attend but are not members to withdraw to facilitate open and frank discussion of particular matters.

The Council or the Accounting officer may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

4.0 Access

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.

5.0 Duties

The duties of the Committee can be categorised as follows:

(a) Governance, Risk Management and Internal Control

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 organisation's activities that supports the achievement of the organisation's objectives.

In particular, the Committee will review the adequacy of:

- all risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the Standards for Better Health), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurance, prior to endorsement by the Council.
- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risk and the appropriateness of the above disclose statements.
- the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- the policies and procedure for all work related to fraud and corruption as set out in the DoH Directions. In carrying out this work the Committee will primarily utilise the work of Internal Audit

External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from Senior Managers and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

(b) Internal Audit

The Committee shall ensure that there is an effective internal audit function established by management that meets Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Council. 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
- consideration of the 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.

(c) External Audit

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

- consideration of the appointment and 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 Council
- review all External Audit reports, including agreement of the annual audit letter before submission to the Council and any work carried outside the annual audit plan, together with the appropriateness of management responses.

(d) Other Assurance Functions

The Audit and Risk Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include any Governance or Risk Management committees that are established.

(e) Management

The Committee shall request and review reports and positive assurances from Senior Managers on the overall arrangements for governance, risk management and internal control.

They may also request specific reports from individual functions within the organisation as they may be appropriate to the overall arrangements.

(f) Financial Reporting

The Audit and Risk Committee shall review the Annual Report and Financial Statements before submission to the Council, focusing on:

- the wording in the Statement on Internal Control /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-statement 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 Council including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Council.

(g) Reporting

The minutes of the Audit and Risk Committee meetings shall be formally recorded and submitted to the Council. The Chair of the Committee shall draw to the attention of the Council any issues that require disclosure to the full Council or require executive action.

The Committee will report to the Council annually on its work in support of the Statement on Internal Control/Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the organisation,

the integration of governance arrangements and the appropriateness of the self-assessment against the Controls Assurance Standards.

(h) Other Matters

The Committee shall be supported administratively by the Professional Secretary, whose duties in this respect will include:

- agreement of Agenda and collation of papers
- taking the minutes and keeping a record of matters arising and issues to be carried forward
- advising the Committee on pertinent areas

5.0 Constitution of the Audit and Risk Committee

5.1 The constitution of the Audit and Risk Committee is as follows:

Non-Executive Members of the Council

- Professional member	2
- Lay member	<u>2</u>
	<u>4</u>

In attendance

- Chief Executive
- Head of Corporate Services
- External Auditor representatives
- Internal Auditor representatives
- BSO Finance Representatives
- Secretarial Support

5.2 The Audit and Risk Committee may ask any officials of NIPEC to attend to assist it with its discussions on any particular matter.

5.3 The Head of Corporate Services will act as Professional Secretary to the Audit and Risk Committee.

5.4 The Council will provide from within its administrative resources a member of staff to act as a Secretary to the Audit and Risk Committee. The above, with the assistance of the Professional Secretary, will be responsible for producing agendas, minutes of meetings and servicing meetings of the Committee.

5.5 If invited by the Chairman of the Audit and Risk Committee other members of the Council may attend Audit Committee meetings.

5.6 The Chairman of the Audit and Risk Committee must be appointed by the Council from the non-executive members appointed to the Audit and Risk Committee.

5.7 The external auditors, internal auditors and BSO Finance Representative will attend as and when required in order to discharge their duties to NIPEC.

6.0 Standing Orders of the Audit Committee

- 6.1 the meetings will conform to formal committee procedures as much as is possible;
- 6.2 the Chairman of the Audit and Risk Committee will have a casting vote in the event of a decision being put to a vote, with the resulting show of hands showing a tied outcome;
- 6.3 the quorum for meetings of the Committee will be two non-executive members; and
- 6.4 the order of business or discussion of individual agenda items will be structured along the lines of the Council's current committee procedures with the agenda for each meeting seeking, before any business commences, a declaration from members of any "Conflict of Interest".

References: HM Treasury Audit and Risk Assurance Committee Handbook – HM Treasury, March 2016.

NIPEC Management Statement/Financial Memorandum.

