



**NORTHERN IRELAND SOCIAL CARE COUNCIL**

**AUDIT AND RISK ASSURANCE COMMITTEE**

**TERMS OF REFERENCE**

**FINAL Under Review**

**October ~~2020~~ 2022**

## 1. CONSTITUTION

The Council hereby resolves to establish a Committee of Council to be known as the Audit and Risk Assurance Committee (the Committee). The Committee is a non-executive Committee of Council and has no executive powers, other than those specifically delegated in these Terms of Reference.

## 2. PURPOSE

The purpose of the Committee is to advise the Council and the Chief Executive, as the Accounting Officer for the Northern Ireland Social Care Council and the Chair of Council on issues relating to corporate governance, internal audit and quality control, risk management and financial audit.

## 3. MEMBERSHIP OF THE COMMITTEE

The Committee shall be appointed by the Chair of Council from amongst the Non-Executive Members of Council and shall consist of at least three Members. A quorum shall be two Members. One of the Members will be appointed Chair of the Committee by the Chair of Council. Where possible, one Member of the Committee should have a financial background. The Chair of Council shall not be a Member of the Committee.

The Committee may with approval of the Board

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board

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## 4. ATTENDANCE

The Director of Registration and Corporate Services 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.

The Chief Executive should be invited to attend meetings, to discuss with the Committee the process for assurance that supports the Governance Statement.

A Secretary to the Committee shall be appointed and will attend to take minutes of the meeting and provide appropriate support to the Chair and Committee Members.

## 5. FREQUENCY OF MEETINGS

Meetings shall be held at least four times a year. In addition, the Chair of the Audit and Risk Assurance Committee and the External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

## **6. AUTHORITY**

The Committee is authorised by Council 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 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.

## **7. DUTIES**

The duties of the Committee can be categorised as follows –

### **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 Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by Council;
- the adequacy of the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
- the adequacy of the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements, including the Northern Ireland Social Care Council's Standing Orders and Standing Financial Instructions;
- the adequacy of the policies and procedures for all work related to fraud and corruption, including bribery, as required by the HSC Counter Fraud Policy Unit, together with any acts of fraud or bribery, attempted or otherwise;

- the annual schedule of losses and compensation payments and will make recommendations to the Council regarding their approval;
- any report of the Public Accounts Committee or the Comptroller and Auditor General involving the Council and review management's proposed response before presentation to Council.

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 relevant organisations' Committees, Directors or managers as appropriate, concentrating on the overarching 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.

#### **Internal Audit**

The Committee shall ensure that there is an effective internal audit function established by management that meets the Government Internal Audit Standards and provides appropriate independent assurance to the Audit and Risk Assurance 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 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 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 with the organisation;
- annual review of the effectiveness of Internal Audit.

#### **External Audit**

The Committee shall review the findings of the External Auditor 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 Audit Strategy;
- discussion with External Auditors of their local evaluation of audit risks and assessment of the Northern Ireland Social Care Council;
- review of all External Audit reports, including the Report of those Charged with Governance, and any work carried out outside the annual audit plan, together with the appropriateness of management responses.

#### **Other Assurance Functions**

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

These will include, but will not be limited to, any reviews by DOH commissioned bodies.

In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit and Risk Assurance Committee's own scope of work – for example, the Risk Management Committee.

#### **Financial Reporting**

The Audit and Risk Assurance Committee shall review the financial extracts of the Northern Ireland Social Care Council's Annual Report and the Financial Statements before submission to Council, 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 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 Council, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to Council.

#### **Value for Money**

The Committee shall oversee the adequacy of the Northern Ireland Social Care Council's arrangements for ensuring that value for money is obtained in the expenditure of all public

funds entrusted in its care. This will include a review of the findings from, and management's response to, all value for money audit reports issued by the DoH.

#### **8. REPORTING**

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

The Committee shall report to Council annually on its work in support of the Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embedding of risk management in the organisation, the integration of governance arrangements and the appropriateness of annual its self-assessment and implementation of any recommendations arising.

#### **9. OTHER MATTERS**

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

- agreement of agenda with the Chair and attendees, including requesting agenda items from attendees in advance to be formally tabled under any other business;
- 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.

## NISCC AUDIT AND RISK ASSURANCE COMMITTEE – ANNUAL PROGRAMME OF BUSINESS

Source	FEBRUARY	MAY	JUNE	OCTOBER
<i>ARAC Terms of Reference</i>	<ul style="list-style-type: none"> <li>Review update to NIAO management letter and management response.</li> <li>Discuss Internal Audit Strategy with NIAO.</li> <li>Approve Internal Audit Strategy and Plans.</li> <li>Note Procurement Report (DAC's, Contracts, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Review draft Annual Accounts and Report.</li> <li>Review all proposed losses for write-offs and compensation payments and make recommendations to the Council.</li> <li>Receive Internal Audit Reports and management responses.</li> <li>Review the NISCC Standing Orders and Standing Financial Instructions and issues of non-compliance.</li> <li>Review the Governance Statement.</li> </ul>	<ul style="list-style-type: none"> <li>Recommend for Approval to Council the Annual Report and Accounts including the Governance Statement</li> </ul>	<ul style="list-style-type: none"> <li>Review NIAO management letter and management response.</li> <li>Review and sign-off Mid-Year Assurance Statement.</li> <li>Review Audit Committee Annual self-assessment.</li> </ul>
<i>Business Matters</i>	<ul style="list-style-type: none"> <li>Note Annual Accounts timetable</li> <li>Approve the Business Continuity Strategy and Plan.</li> <li>Review ARAC Terms of Reference.</li> <li>Note Information Governance Report (GDPR, Records, FOI).</li> </ul>	<ul style="list-style-type: none"> <li>Note Internal Audit Year End Follow Up Report.</li> <li>Internal Audit Annual Assurance Report</li> <li>Note Annual Provisional Assurance Statement BSO.</li> <li>Note Annual Fraud Report.</li> <li>Review NISCC's Management Statement and Financial Memorandum.</li> </ul>	<ul style="list-style-type: none"> <li>Note Draft Report to those Charged with Governance.</li> <li>Note Annual Procurement Report</li> <li>Independent Meeting of Members with Internal and External Audit</li> </ul>	<ul style="list-style-type: none"> <li>Approve Risk Management Strategy and Procedures.</li> <li>Approve RMC Terms of Reference.</li> <li>Note Internal Audit mid-year follow up Report and Mid Year Assurance Statement.</li> <li>Review Fraud Strategy and Response Plan.</li> <li>Final Report to those Charged with Governance</li> </ul>
<i>Standing Items</i>	<ul style="list-style-type: none"> <li>Review Risk Progress Report (including the Assurance Framework);</li> <li>Internal Audit Progress Report</li> <li>Note Minutes of the RMC.</li> </ul>	<ul style="list-style-type: none"> <li>Review Risk Progress Report (including the Assurance Framework);</li> <li>Internal Audit Progress Report</li> <li>Note Minutes of the RMC.</li> </ul>	<ul style="list-style-type: none"> <li>Review Risk Progress Report (including the Assurance Framework);</li> <li>Internal Audit Progress Report</li> <li>Note Minutes of the RMC.</li> </ul>	<ul style="list-style-type: none"> <li>Review Risk Progress Report (including the Assurance Framework);</li> <li>Internal Audit Progress Report</li> <li>Note Minutes of the RMC.</li> </ul>

