



**Norfolk and Suffolk**  
Integrated Care Board

# **Audit & Risk Committee Terms of Reference**

**NHS Norfolk and Suffolk  
Integrated Care Board**

## Contents

<b>CONTENTS .....</b>	<b>2</b>
<b>1. PURPOSE.....</b>	<b>3</b>
<b>2. PERMISSIONS .....</b>	<b>3</b>
<b>3. REMIT AND RESPONSIBILITIES.....</b>	<b>3</b>
<b>4. RELATIONSHIP WITH OTHER ICB/ PARTNER BODIES.....</b>	<b>7</b>
<b>5. MEMBERSHIP .....</b>	<b>7</b>
<b>6. CHAIR (AND DEPUTY CHAIR) .....</b>	<b>7</b>
<b>7. ATTENDEES.....</b>	<b>8</b>
<b>8. SECRETARY AND ADMINISTRATION .....</b>	<b>8</b>
<b>9. MEETING QUORACY AND DECISION .....</b>	<b>9</b>
<b>10. DECISION MAKING AND VOTING .....</b>	<b>10</b>
<b>11. ICB VALUES.....</b>	<b>10</b>
<b>12. EQUALITY, DIVERSITY AND INCLUSION.....</b>	<b>10</b>
<b>13. REVIEW .....</b>	<b>10</b>

## **1. Purpose**

- 1.1. The Audit & Risk Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its constitution and standing orders. It shall provide the Board with an independent and objective review of the adequacy and effective operation of the organisation's overall internal control system including its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference are based on the example terms of reference set out in the HFMA *NHS Audit & Risk Committee Handbook*, as well the NHS model ToR for an Audit & Risk Committee, amended as necessary, and are approved by the ICB.
- 1.2. These Terms of Reference (ToR), which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.
- 1.3. The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB. It has no executive powers, other than those specifically delegated in these terms of reference or the scheme of reservation and delegation in the ICB's constitution.

## **2. Permissions**

- 2.1. The Audit & Risk Committee is authorised by the Board to:
  - I. Investigate any activity within its terms of reference;
  - II. Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these terms of reference;
  - III. Commission any reports it deems necessary to help fulfil its obligations;
  - IV. Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice;
  - V. Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may/ not delegate any decisions to such groups.
- 2.2. The Committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the SoRD.

## **3. Remit and Responsibilities**

- 3.1. The Committee's purpose is to contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance,

risk management and internal control processes within the ICB.

- 3.2. The duties of the Committee will be driven by the organisation's objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however this will be flexible to new and emerging priorities and risks.
- 3.3. The Audit & Risk Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.
- 3.4. The Committee's duties are set below:

#### **Integrated governance, risk management and internal control**

- 3.5. To review the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the Board.
- 3.6. To ensure that financial systems and governance are established which facilitate compliance with DHSC's Group Accounting Manual and that the ICB acts consistently with the principles and guidance established in HMT's Managing Public Money.
- 3.7. To review the adequacy and effectiveness of the assurance processes that indicate the degree of achievement of the ICB's objectives, the effectiveness of the management of principal risks.

#### **Internal audit**

- 3.8. To ensure that there is an effective internal audit function that meets the Public Sector Internal Audit Standards and provides appropriate independent assurance to the Board.
- 3.9. Considering the major findings of internal audit work, including the Head of Internal Audit Opinion, (and management's response), and ensure coordination between the internal and external auditors to optimise the use of audit resources;

#### **External audit**

- 3.10. To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- 3.11. In particular, the Committee will 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:
  - Considering the appointment and performance of the external auditors, as far as the rules governing the appointment permit;
  - Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan;
  - Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee; and

- Reviewing all external audit reports, including to those charged with governance (before its submission to the Board) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

### **Internal audit**

- 3.12. To review and monitor the internal auditor's independence and objectivity and the effectiveness of the audit process.
- 3.13. In particular, the Committee will review the work and findings of the internal auditors and consider the implications and management's responses to their work. This will be achieved by:
- Considering the appointment and performance of the internal auditors, as far as the rules governing the appointment permit;
  - Discussing and agreeing with the internal auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan;
  - Discussing with the internal auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee; and
  - Reviewing all internal audit reports and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

### **Other assurance functions**

- 3.14. To review the processes undertaken in determining the proposed commissioning route for healthcare services which fall within the remit of the Provider Selection Regime. The Executive Finance and Contracts Director will refer items to the Audit & Risk Committee that they deem to be particularly complex or to carry a significant risk of challenge. The Executive Finance and Contracts Director may also refer other complex procurement exercises to Audit & Risk Committee for review from time to time.
- 3.15. To review the findings of external bodies and consider the implications for governance of the ICB. These will include, but will not be limited to:
- Reviews and reports issued by arm's length bodies or regulators and inspectors: e.g. National Audit Office, Select Committees, NHS Resolution, CQC; and
  - Reviews and reports issued by professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges and accreditation bodies).

### **Counter fraud**

- 3.16. To assure itself that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's (NHSCFA) standards and shall review the outcomes of work in these areas.
- 3.17. In accordance with 3.2 of NHSCFA's Fraud Commissioners Standards, the Audit & Risk Committee has "*stated its commitment to ensuring commissioners achieve*

*these standards and therefore requires assurance that they are being met via NHSCFA's quality assurance programme".*

- 3.18. To be responsible for ensuring that the counter fraud service submits an Annual Report and the Counter Fraud Functional Standard Return (CFFSR) Self-Review Assessment, outlining key work undertaken during each financial year to meet the NHS Requirements of the Government Functional Standard GovS 013: Counter Fraud – management of counter fraud, bribery and corruption activity.
- 3.19. To report concerns of suspected fraud, bribery and corruption to the NHSCFA.

#### **Freedom to Speak Up/Whistleblowing**

- 3.20. To review the adequacy and security of the ICB's arrangements for its employees, contractors and external parties to raise concerns, in confidence, in relation to financial, clinical management, or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

#### **Information Governance (IG)**

- 3.21. To receive regular updates on IG compliance (including uptake & completion of data security training), data breaches and any related issues and risks.
- 3.22. To review the annual Senior Information Risk Owner (SIRO) report, the submission for the Data Security & Protection Toolkit and relevant reports and action plans.
- 3.23. To receive reports on audits to assess information and IT security arrangements, including the annual Data Security & Protection Toolkit audit.
- 3.24. To provide assurance to the Board that there is an effective framework in place for the management of risks associated with information governance.
- 3.25. To approve the arrangements for ensuring the appropriate safekeeping and confidentiality of records and for the storage management and transfer of information and data.

#### **Financial reporting**

- 3.26. To monitor the integrity of the financial statements of the ICB and any formal announcements relating to its financial performance.
- 3.27. To ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.
- 3.28. To review the annual report and financial statements (including accounting policies) before submission to the Board.
- 3.29. To review the letter of representation before it is signed by the Chair of the Audit and Risk Committee.

#### **Conflicts of Interest**

- 3.30. The Chair of the Audit & Risk Committee will be the nominated Conflicts of Interest Guardian.
- 3.31. The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of conflicts, (including gifts and hospitality and bribery) are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to conflicts of interest.

### **Management**

- 3.32. To receive reports of breaches of policy and normal procedure or proceedings, including such as suspensions of the ICB's standing orders, in order provide assurance in relation to the appropriateness of decisions and to derive future learning.

### **Annual Review**

- 3.33. To conduct an annual review on the performance and effectiveness of the Audit and Risk Committee and to provide an annual report to Board.

## **4. Relationship with other ICB/ Partner bodies**

- 4.1. The Committee has been established by the ICB Board and the Chair of the Committee will regularly provide reports to Board on the work of the Committee and will escalate any matters of concern to the Board.
- 4.2. The Committee will work closely with the other committees of the Board. The Committee may invite members of other committees to facilitate cross committee working, receive highlight reports from other committees, receive items referred by other committees, and refer items to other committees for consideration.

## **5. Membership**

- 5.1. The Audit & Risk Committee members shall be appointed by the Board in accordance with the ICB Constitution.
- 5.2. The Board will appoint no fewer than three members of the Committee including two who are Independent Non-Executive Members of the Board. Other members of the Committee need not be members of the Board, but they may be.
- 5.3. Neither the Chair of the Board, nor employees of the ICB will be members of the Committee. Individuals who claim a significant proportion of their income from the Integrated Care Board will not be Members of the Committee
- 5.4. Members will possess between them knowledge, skills and experience in: accounting, risk management, internal, external audit; and technical or specialist issues pertinent to the ICB's business.

## **6. Chair (and Deputy Chair)**

- 6.1. The Audit & Risk Committee will be chaired by an Independent Non-Executive appointed on account of their specific knowledge, skills, and experience making them suitable to chair the Committee.

- 6.2. The Chair of the Committee shall be independent and therefore may not chair any other committees. In so far as it is possible, they will not be a member of any other committee.
- 6.3. The Audit & Risk Committee members may appoint a Deputy Chair who has the appropriate skillset, in order to lead the meeting if the Chair is unavailable.
- 6.4. In the absence of the Chair, or Deputy Chair, the remaining members present shall elect one of their number Chair the meeting.
- 6.5. The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

## **7. Attendees**

- 7.1. Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee will also be attended by the following individuals who are not members of the Committee:
  - Executive Finance and Contracts Director or their nominated deputy;
  - Executive Director of People, Governance and Corporate Services or their nominated deputy;
  - Representatives of both internal and external audit;
- 7.2. The Chair 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.
- 7.3. Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter including representatives from the Health and Wellbeing Board(s), Secondary and Community Providers.
- 7.4. The Chief Executive should be invited to attend the meetings and should discuss at least annually with the Audit & Risk Committee the process for assurance that supports the Governance Statement. They (or their nominated deputy) should also attend when the Committee considers the draft Annual Governance Statement and the Annual Report and Accounts.
- 7.5. The Chair of the ICB may also be invited to attend one meeting each year in order to gain an understanding of the Committee's operations.

## **8. Secretary and Administration**

- 8.1. The Chief Executive will ensure adequate secretarial support including:
  - I. The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead
  - II. Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements;
  - III. Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary

- IV. Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept
- V. The Chair is supported to prepare and deliver reports to the Board
- VI. The Audit & Risk Committee is updated on pertinent issues/ areas of interest/ policy developments
- VII. Action points are taken forward between meetings.
- VIII. Committee members receive the development and training they require.
- IX. Meetings are arranged for the Chair where required.

## **9. Meeting Quoracy and Decision Making**

- 9.1. The Audit & Risk Committee will meet at least four times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.
- 9.2. The Board, Chair or Chief Executive may ask the Audit & Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 9.3. Additionally, the Audit & Risk Committee Chair, external auditors or Head of Internal Audit may request an additional meeting if they consider one necessary, or the Audit & Risk Committee members may collectively agree to hold an additional meeting.
- 9.4. The agenda and supporting papers will be sent out at least 5 days in advance of the meetings to allow time for due consideration of issues.
- 9.5. Meetings will be timetabled and agreed in advance.
- 9.6. In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.
- 9.7. Meetings will ordinarily be held in person or via video conference. However, meetings may be conducted on a 'virtual' basis through the use of e-mail or teleconference communication if necessary.
- 9.8. The Committee may meet 'in common' with other Audit & Risk Committees where the Audit & Risk Committee deems this appropriate. However, when meeting in common, the committee will have the ability to take its own decisions that might differ from those of the other committee(s) and regardless of any arrangements permitting decisions to be made following discussions by the committees in common, each ICB retains individual accountability for any decisions taken on behalf of their local populations and a consensus decision will only be binding if each individual ICB consents to that decision.

### **Quorum**

- 9.9. For a meeting to be quorate a minimum of two members of the committee are required, including the Chair or Deputy Chair of the Committee.
- 9.10. If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.
- 9.11. If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken. A decision may be finalised by the agreement of members not present by means of email or a “virtual” decision.

**10. Decision Making and Voting**

- 10.1. Decisions will be guided by national NHS policy and best practice to ensure that staff are fairly motivated and rewarded for their individual contribution to the organisation, whilst ensuring proper regard to wider influences such as national consistency.
- 10.2. The Group will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.
- 10.3. Only members of the Group can vote. Each member is allowed one vote and a majority will be conclusive on any matter.
- 10.4. Where there is a split vote, with no clear majority, the Chair will cast a second deciding vote.

**11. ICB Values**

- 11.1. Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.
- 11.2. Members of, and those attending, shall behave in accordance with the ICB’s constitution, Standing Orders, and Standards of Business Conduct Policy.

**12. Equality, Diversity and Inclusion**

- 12.1. Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

**13. Review**

<b>Date Approved:</b>	1 April 2026
<b>Next Review:</b>	March 2027