

Agenda Item: 16

Report To:	Governing Body 13 October 2016
Title of Report:	Audit Committee Terms of Reference (revised)
FOI Exemption Category:	Open
Responsible Officer:	Neil Smurthwaite
CCG Leads:	David Longstaff, Audit Committee Chair
Report Author and Job Title:	Judith Salter, Corporate & Governance Manager judith.salter@calderdaleccg.nhs.uk 01422 307465
Executive Summary:	<ul style="list-style-type: none"> ▪ The Audit Committee is always looking at ways of improving its own performance and effectiveness and held a development session in February 2016. ▪ A number of conclusions were drawn together with a number of actions identified. One of these was that a small group of Audit Committee members would meet to make proposals on: <ul style="list-style-type: none"> - Streamlining the terms of reference - Streamlining the annual work plan - Reducing the number of meetings in order to release Governing Body and Manager capacity, enabling them to focus on other CCG priorities. ▪ The Terms of Reference were reviewed at the Audit Committee meeting held on 30th September and the proposed revisions are presented to the Governing Body for approval.

Finance/Resource Implications:	None identified
Risk Assessment:	The requirements of the Audit Committee will continue to be met under the proposals.
Legal Implications:	Not applicable
Health Benefits:	Not applicable
Staffing/Workforce Implications:	None identified
Outcome of Equality Impact Assessment:	Not applicable
Recommendation (s):	It is recommended that the Governing Body: Approves the revised Terms of Reference.

1.0 Purpose of the Report

1.1 To present the proposed revisions to the Audit Committee Terms of Reference for approval.

2.0 Background

2.1 The Audit Committee held a development session in February 2016. The purpose of the session was to:

- To confirm the role and responsibilities of the Committee
- To review any opportunities for improving the its effectiveness in the light of the recommendations that came out of the KPMG governance review during the previous summer.
- To identify any amendments to the terms of reference as a consequence.
- Looking forward - to consider the challenges and opportunities for the CCG and for the Audit Committee as a consequence.
- To identify any individual/committee development needs to meet the challenges and its aspirational performance for the coming year.

2.2 A small task and finish group, consisting of the Corporate and Governance Manager, the Audit Committee Chair, the Registered Nurse and the Head of Finance was convened to look at proposals for amending the terms of reference, the work-plan and as a result, the required number of Audit Committee meetings. The proposals including those relating to the Terms of Reference were considered by the Audit Committee at its meeting on the 30th September.

2.3 The proposed revisions to the Terms of Reference are presented here for approval.

3.0 Terms of Reference

3.1 The Terms of Reference have been reviewed against the NHS Audit Committee Handbook example terms of reference and against the KPMG governance review recommendations.

3.2 As a result, a number of amendments have been made in order to make the Terms of Reference clearer and more succinct. For example, reference to individual tasks, that sit underneath the overarching responsibilities have been removed, as these are captured in the annual work plan.

3.3 A number of further amendments are proposed by the Audit Committee:

Para	Item	Proposal
3.1	Currently the Terms of Reference provide for 2 GPs on the Audit Committee.	Reduce to 1 GP with a named deputy to ensure continuity and quoracy.
3.6	Include an item to enable members of the Governing Body to attend the committee as an observer – to align to the other relevant committees.	Any full member of the Governing Body is entitled and encouraged to attend this committee with observer status.
4.6	Reference to the management of	Additional items incorporated to

	conflicts of interest.	reflect the strengthening of recording.
5.8	Risk register – review of risks of 12 or more	Remove the reference to reviewing individual risks. This confirms the role of the Committee in reviewing the adequacy and effectiveness of the Risk Management Framework.
5.2, 6.4	External audit policies and auditor panel	Amendments incorporated to reflect the new role of the CCG in appointing external auditors and the auditor panel.

4.0 Recommendations

It is recommended that the Governing Body:

Approves the revised Terms of Reference.

Appendix 1: Audit Committee Terms of Reference (proposed revisions)