



Health & Social Care  
Information Centre

# Health and Social Care Information Centre (HSCIC)

## Assurance and Risk Committee Terms of Reference

**Date: 2014-15**

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## 1 Introduction

These terms of reference have been produced based on the specimen good practice versions provided in both the Department of Health and HM Treasury Audit Committee Handbooks. They have been slightly amended to reflect the views and wishes of the Committee members.

## 2 Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Assurance and Risk Committee.

## 3 Membership

The Assurance and Risk Committee will be appointed by the Board from amongst the independent non-executive Directors of the HSCIC and will comprise four members.

The Chair of the HSCIC Board will not be a member of the Assurance and Risk Committee. The Board will appoint the Chair of the Committee from amongst the independent non-executive Directors and this appointment will be reviewed on an annual basis.

## 4 Quorum

A quorum will be three members – one of whom must be the Committee Chair.

## 5 Attendance

The Chief Executive, Director of Finance and Corporate Services, Director of Operations and Assurance Services (to provide cover for information governance and information risks, and who is the HSCIC Senior Information Risk Owner) and representatives from internal and external Audit, will normally attend the committee meetings.

However, at least once a year the Assurance and Risk Committee will meet with external and internal auditors without any Executive Board Director present.

A representative from the Department of Health sponsor team may also be invited to attend.

The secretary of the Assurance and Risk Committee will be the HSCIC Secretary to the Board.

## 6 Access

Representatives of internal and external audit and the Local Counter Fraud Specialist will have free and confidential access to the Chair of the Committee.

## 7 Frequency

Meetings shall be held not less than four times a year, but may meet more regularly if circumstances require. The external or internal auditors may request a meeting if they consider that one is necessary.

## 8 Authority

The Assurance and Risk Committee is authorised by the Board:

- To investigate any activity within the terms of reference. It is authorised to seek any information that it requires from any employee and all employees are directed to cooperate with any request made by the Assurance and Risk Committee
- To obtain outside legal or independent professional advice, at the HSCIC's expense, and to secure the attendance of external specialists with relevant experience and expertise if it considers this necessary.

## 9 Duties

The duties of the Assurance and Risk Committee are:

### 9.1 Internal Control and Risk Management

The Assurance and Risk Committee shall review and monitor the effectiveness of the system of integrated governance, risk management and internal control including information governance, security and data quality risks.

In particular, the Assurance and Risk Committee will review the adequacy of and make recommendations to the Board as appropriate on:

- All risk and control related disclosure statements, (in particular the Annual Governance Statement) together with any accompanying Internal Audit statements, prior to the endorsement of the Board
- 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 structures, processes and responsibilities for identifying and managing key risks facing the organisation
- The policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements as set out in the Controls Assurance Standards and other relevant guidance
- The operational effectiveness of policies and procedures

- The policies and procedures for all work related to fraud, corruption and whistleblowing – including appointment of a Local Counter Fraud Specialist and to enable the Local Counter Fraud Specialist to attend Assurance and Risk Committee meetings when required.

In carrying out this work the Assurance and Risk Committee will primarily utilise the work of Internal Audit, external audit and other assurance functions. It will also seek reports and assurances from directors and managers as appropriate.

## 9.2 Internal Audit

The Assurance and Risk Committee will ensure that there is an effective Internal Audit function established by management that meets mandatory internal audit standards and provides appropriate independent assurance to the Chief Executive and Board. This will be achieved by:

- Reviewing and making recommendations to the Board on the appointment of the internal Audit service, the audit fee and any questions of resignation and dismissal
- Reviewing the internal audit programme, considering the major findings of internal audit investigations (and management's response), and ensuring co-ordination between the internal and external auditors
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation
- Annual review of the effectiveness of the Internal Audit function.

## 9.3 External Audit

The Assurance and Risk Committee will review the work and findings of the external Auditor and take account of the implications and management responses to their work. This will include:

- Acknowledging the appointment of the external Auditor by the Comptroller and Auditor General
- Discussing with the external Auditor, before the audit commences, the nature and scope of the audit, ensuring co-ordination, as appropriate with other external bodies (e.g. shared services) and agreeing the audit fee
- Reviewing and making any recommendations to the Board as necessary on external Audit reports, including value for money reports and annual management letters, together with the management response.

## 9.4 Other Assurance Functions

The Assurance and Risk Committee will 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 Assurance and Risk Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Assurance and Risk Committee's own scope of work.

### 9.5 Management

The Assurance and Risk Committee will request and review reports and positive assurances from directors and 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.

The Assurance and Risk Committee may call directors and managers to appear before it to account for:

- Audit reports receiving a high priority rating (red or red amber) to explain the action being taken to address the concerns raised and the timescale for doing so.
- Non-delivery of agreed management actions to address audit concerns within the timescales set.
- Any other matters the Assurance and Risk Committee consider relevant in connection with risks and issues on the HSCIC Strategic Risk Register.

### 9.6 Financial Reporting

The Assurance and Risk Committee will review the Annual Financial Statements and make recommendations to the Board focusing particularly on:

- The wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee
- Changes in, and compliance with, accounting policies and practices
- Major judgemental areas
- Significant adjustments resulting from audit.

## 10 Reporting

The minutes of the Assurance and Risk Committee meetings will be formally recorded and submitted to the Board.

A briefing will be provided as a standing item on the Committee's agenda from the Director of Operations and Assurance Services on all risk and assurance issue discussions held by or arising from the Information Assurance and Cyber Security Committee.

The Assurance and Risk Committee will report to the Board annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the

Assurance Framework, the completeness and adequacy of risk management in the organisation and the integration of governance arrangements.

The Assurance and Risk Committee will annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.