

Health and Social Care Information Centre (ENDPB)**Assurance and Risk Committee Terms of Reference****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 shall be appointed by the Board from amongst the independent non-executive Directors of the HSCIC. A quorum will be 3 members – one of whom will be the Chair.

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. Attendance

The Chief Executive, Director of Finance, and Corporate Services, Director of Solution Design, Standards and Assurance (to cover information governance and information risks) and representatives from Internal and External Audit, will normally attend the committee meetings. However at least once a year the Assurance and Risk Committee may wish to meet with External and Internal Auditors without any Executive Board Director present. A representative from the Department of Health sponsor team will also be invited to attend.

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

5. Access

Representatives of Internal and External audit will have free and confidential access to the Chair of the Committee.

6. 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.

7. 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 Audit and Risk Committee

- to obtain outside legal or independent professional advice, at the HSCIC's expense, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8. Duties

The duties of the Assurance and Risk Committee can be categorised as follows:

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 Audit and Risk Committee will review the adequacy of and make recommendations to the Board as appropriate on [awaiting input from Clare Sanderson to strengthen refs to information governance]:

- 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 whistle blowing – including appointment of a Local Counter Fraud Specialist (LCFS) and to enable the LCFS 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.

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.

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 (eg 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.

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.

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.

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.

9. **Reporting**

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