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Iechyd Cyhoeddus
Cymru
Public Health
Wales

Name of Meeting
Audit and Corporate
Governance Committee
Date of Meeting
10 May 2023
Agenda item:
10.2

Review of Committee Terms of Reference

Executive lead:	Paul Veysey, Board Secretary and Head of Board Business Unit
Author:	Liz Blayney, Deputy Board Secretary and Board Governance Manager

Approval/Scrutiny route:	Discussion with the Chair, Committee Members and Executive Lead.
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Purpose

The Committees Terms of Reference were last approved by the Board in October 2022. Terms of Reference should be reviewed annually to ensure compliance with Standing Orders.

A review of the Committee Terms of Reference has taken place and suggested amendments are presented to the Committee, for a recommendation to the Board for approval.

Recommendation:

APPROVE <input type="checkbox"/>	CONSIDER <input type="checkbox"/>	RECOMMEND <input checked="" type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input type="checkbox"/>
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The Committee is asked to:

- **Consider** the proposed changes to the Committees terms of reference;
- **Recommend** the revised terms of reference to the Board for approval.

Link to Public Health Wales [Strategic Plan](#)

Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.

This report contributes to the following:

Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives
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Summary impact analysis	
Equality and Health Impact Assessment	Not required
Risk and Assurance	The organisation will not be compliant with its Standing orders if an annual review of terms of reference is not undertaken.
Health and Care Standards	This report supports and/or takes into account the Health and Care Standards for NHS Wales Quality Themes Governance, Leadership and Accountability
Financial implications	N/A
People implications	N/A

1. Purpose / situation

The purpose of this report is to present proposed revisions to the Committees terms of reference for consideration, and to recommend to the Board for approval.

2. Background

The Committees Terms of Reference were last reviewed in May 2022.

The Terms of Reference of Committees should be reviewed at least annually to ensure compliance with Standing Orders. A review of the Terms of Reference has taken place and suggested amendments are presented to Committee, to recommend to the Board for approval.

3. Summary of changes to Committee Terms of Reference

The proposed changes are intended to clarify the role and purpose of the Committee, and to fully articulate its remit. These changes are detailed in the table below.

A full copy of the revised terms of reference are included at appendix 1.

Section	Proposed Amendment
Throughout	Minor changes to the text for consistency with other committee Terms of Reference.
Remit	<p>Addition of 'Information Governance and data breaches) for clarity. This has previously been contained within the Terms of reference and the role of the committee, added to the bullet list for clarity to draw out this role.</p> <p>First sentence has been amended to include reference to the duty of quality.</p> <p>Quality, Safety and Improvement have responsibility for the overall compliance, and will be receiving regular updates on this.</p> <p>The role of the other Committees in ensuring that any services and functions within their remit are complying with the act as part of their remit. (will be included in all Committee TORs and will be included in the overall remit map being developed to explain cross overs)</p> <p>1.16 – Amended to remove specific mention of Finance delivery unit and the NHS collaborative, in light of the new arrangements with the NHS Executive .</p> <p>Now reads ' any hosting arrangements' to remove specific reference to individual bodies.</p>
Membership	<p>Amended to reflect the NHS Executive arrangements as above.</p> <p>Added requirement for the hosted bodies to provide assurance to the Committee on their compliance with the duty of Quality Act.</p>

4. Recommendation

The Committee is asked to:

- **Consider** the proposed changes to the Committees terms of reference;
- **Recommend** the revised terms of reference to the Board for approval.



Audit and Corporate Governance Committee Terms of Reference and Operating Arrangements

Date:**Version:** DRAFT**Review Date:** Annually

1. Introduction

In line with Section B, 3 and 7 of the Standing Orders, the Board shall nominate annually a committee that covers Audit. This remit of this Committee will be extended to include Corporate Governance and will be known as the **Audit and Corporate Governance Committee**. The Committee will also discharge the requirements of Section B, 3 and 6 of the Standing Orders, which require the Board to nominate a Committee that covers information governance.

The detailed terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all committees.

2. Purpose

The purpose of the Audit and Corporate Governance Committee ("the Committee") is to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place - through the design and operation of the Trust's corporate governance and assurance framework - to support them in their decision taking and in discharging their accountabilities in accordance with the standards of good governance determined for the NHS in Wales;

- Where appropriate, the Committee will **advise** the Board and the Chief Executive on where, and how, its corporate governance and assurance framework may be strengthened and developed further;
- **Approve** on behalf of the Board policies, procedures and other written control documents in accordance with the Scheme of Delegation.

3. Delegated Powers

Remit

The Committee's role is to provide independent **assurance** to the Board and the Chief Executive, that there are the appropriate and effective systems in place for areas within its remit, including ensuring that the appropriate development and quality and quality improvement arrangements in line with the Duty of Quality (Wales) Act.

The Committee's remit covers the following areas:

- Internal Audit Function
- External Audit Function
- System of risk and internal control
- Financial and accounting arrangements (including procurement)
- Corporate governance and assurance arrangements
- Cyber Security arrangements
- Hosting body arrangements
- Information Governance and Data Breaches

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions.

It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

The Committee will review and agree the programme of work on an annual basis, and will submit this to the Board for information.

Assurance

With regard to its role in providing assurance to the Board and the Chief Executive, the Committee will seek assurance that the functions within its remit meet the standards set for the NHS in Wales, and provide comment on the reliability and integrity of these functions.

The Committee will support the public disclosure statements that flow from the assurance processes, including the Annual Governance Statement and the Annual Quality Statement.

The Committee will seek **assurance** on:

- 1.1 The effectiveness of the overall system for risk management (system for internal control) and the management of Strategic and Corporate risks within the organisation.
 - 1.2 Planned activity and results of internal and external audit, including assurance on the adequacy of executive and managements response to issues identified by audit, inspection and other assurance activity and oversight of the implementation of actions resulting from such reviews.
 - 1.3 Consideration of the implications of the findings of wider audit and assurance activity relevant to the Trust's operations, ensuring these are appropriately considered and acted upon to secure the ongoing development and improvement of the organisations governance arrangements.
 - 1.4 The work carried out by key sources of external assurance, in particular, but not limited to the Trust's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity.
 - 1.5 That the work carried out by the whole range of external review bodies is brought to the attention of the Board and other Committees of the Board in line with the Audit Protocol, to ensure that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, and the risks of failing to comply.
 - 1.6 The overall system in place for clinical audit to ensure that there is an effective clinical audit function*, through the Quality, Safety and Improvement Committee (or equivalent).
- ***Note:** The role of the Audit Committee with regard to clinical audit is to seek assurance on the overall annual clinical audit plan, it's fitness for purpose and it's delivery. The Quality, Safety and Improvement Committee will seek more detail on the clinical outcomes and improvements made as a result of clinical audit.*
- 1.7 Effective counter fraud service that meets the standards set for the provision of counter fraud, as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security

Management Service arrangements, including strategies, annual work plans and annual reports.

- 1.8 Safety and security of the information collected and used by the organisation, with particular reference to Cyber security, Information Governance compliance, and records management arrangements.
- 1.9 Any issues upon which the Board or the Chief Executive may seek advice, including the processes and arrangements for special investigations where applicable.
- 1.10 the underlying assurance processes for the organisations performance management, and the process for ensuring the organisations ability to achieve corporate objectives.
- 1.11 Systems for financial reporting to the Board, including those of budgetary control, are effective.
- 1.12 The efficiency, effectiveness and economic use of resources
- 1.13 The extent to which the organisation safeguards and protects all its assets.
- 1.14 Schedule of Losses and Special Payments, ensuring that the write off of losses and special payments have been made in accordance with the approval route documented in the Scheme of Delegation
- 1.15 Provide oversight, scrutiny and assurance of compliance with and any development and improvement requirements in relation to information management systems that support business needs, are fit for purpose and comply with legal/best practice requirements in relation to Information Governance including the:
- Data Protection Act 2018
 - General Data Protection Regulation 2016
 - Control of Patient Information Regulations 2002
 - Common Law duty of Confidence
 - Freedom of Information Act 2000
 - Wales Accord on the Sharing of Personal Information (WASPI)
 - Codes of Practice and Guidance as issued by the Information Commissioner's Office and Welsh Government
- 1.16 Assurance that any arrangements hosted by Public Health Wales, are complying with the provisions of the Hosting Agreement

Comment / Recommendation to Board

With regard to its role in providing advice to the Board, the Committee will **comment and make recommendations to the Board specifically** on the:

- 1.17 Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate) Including Formal consideration of any reports from the Board Secretary on any non-compliance with Standing Orders, making proposals to the Board on any action to be taken.
- 1.18 Ensuring that there is an effective scheme of delegation in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the Board and the Chief Executive or through the work of the Board's committees
- 1.19 Accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors
- 1.20 All risk and control related disclosure statements, in particular the Annual Financial statements, Accountability report and the Annual Governance Statement together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to approval by the Board.
- 1.21 Adequacy of the Trust's corporate governance and assurance framework and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical).

Delegated Decisions

The Committee will support the Board with regard to its responsibilities for governance (including risk and control) by **reviewing** and **approving** as appropriate:

- 1.22 The policies for ensuring compliance with regulatory, legal and code of conduct and accountability requirements within the remit of the Committee.

- 1.23 The policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service
- 1.24 Risk Assessment and Risk Register Procedures, Guidelines and Protocols
- 1.25 Financial Control Procedures
- 1.26 Arrangements relating to the discharge of the Trust's responsibility as a Bailee for patients' property.
- 1.27 Policies relating to Information Governance/ Caldicott/Data Protection/Freedom of Information.

4. Sub-committees/Groups

The Committee may establish sub-groups to support the delivery of its role but at the time of reviewing this document no sub-committees were in operation

The Information Governance Working Group reports to the Business Executive Team, and provide assurance to the Audit and Corporate Governance Committee.

5. Access

The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Audit and Corporate Governance Committee at any time, and vice versa.

The Committee will meet with Internal Audit, External Audit and Counter Fraud Officials without the presence of officials on at least one occasion each year.

The Chair of the Audit and Corporate Governance Committee shall have reasonable access to the Executive Team and other relevant senior staff.

6. Membership, Attendees and Quorum

6.1 Members

A minimum of three members, comprising:

Chair Non-Executive Director

Members Non-Executive Directors x 2

The Chair of the organisation shall not be a member of the Audit and Corporate Governance Committee, but may be invited to attend by the Chair of the Committee as appropriate.

The Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise.

6.2 Attendees

In attendance:

The following members of staff (or their deputies) shall routinely attend the Committee to actively contribute and provide assurance:

- Deputy Chief Executive and Executive Director of Operations and Finance (Joint Executive Lead for the Committee)
- Board Secretary and Head of Board Business Unit (Joint Executive Lead for the Committee)
- Executive Director of Quality, Nursing and Allied Health Professionals
- Head of Internal Audit
- Representative of the Auditor General for Wales
- Deputy Director and Head of Finance

Other Executive Team members should attend from time to time as required by the Committee Chair.

Up to two Trade Union Representatives will have a permanent invite to attend the Committee. In addition to this others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall have a permanent invitation and in addition will be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

The Director of any hosted bodies will attend the Committee at least annually, or as requested by the Committee Chair, to provide assurance to the Committee that the body is complying with the Hosting Agreement and to highlight and discuss any areas of risk or non-compliance. This assurance will also need to include assurance on how the body is complying with the Duty of Quality Act

Local Counter Fraud Specialist will attend the Committee as required or as requested by the Committee Chair, to provide assurance on the counter fraud arrangements.

6.3 Quorum

At least **two** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or the Chair of the meeting).

7. Frequency of Meetings

The Committee will generally meet on five occasions across the year or otherwise as the Chair of the Committee deems necessary – consistent with the Trust’s annual plan of Board Business.

The External Auditor or Head of Internal Audit may request that the Chair convene a meeting if they consider this necessary.

8. Relationships and accountabilities with the Board and its Committees/Groups:¹

The Audit and Corporate Governance Committee must have an effective relationship with all Board Committees and any other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Audit and Corporate Governance Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will consider the assurance provided through the Corporate and Governance Assurance Framework and the scheme of delegation, ensuring that these provide adequate coverage across the Board committees for the Board itself to receive assurance on the adequacy of the Trust's overall framework of assurance.

9. Reporting and Assurance Arrangements

The Committee shall provide a written, annual report to the Board and the Chief Executive on its work in support of the Committees remit including the Annual Governance Statement, specifically commenting on the adequacy of the assurance framework; the extent to which risk management is comprehensively embedded throughout the organisation; the integration of governance arrangements; and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the committee's self-assessment and evaluation.

The Chair of the Committee reports into the Board via a composite report from Committee Chairs, where any significant issues are brought to the attention of the Board.

10. Applicability of Standing Orders to Committee Business

The requirements for the conduct of business as set out in the Trust's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- a. Quorum (see paragraph 6.3)
- b. Meetings will not normally be held in public.

Agendas and routine reports will be published following each meeting where appropriate.

¹ Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of this Audit Committee