



Audit and Risk Committee Terms of Reference

1.0 Constitution

- 1.1 The Audit and Risk Committee (the Committee) is a standing Committee that has been formally constituted by the Board of Directors of Yorkshire Ambulance Service NHS Trust (the Trust) in accordance with its Standing Orders, including the Scheme of Powers Delegated and Reserved to the Board and the Standing Financial Instructions (SO/SFIs) of the Trust will apply to the conduct of the working of the Committee.

2.0 Authority

- 2.1 The Committee is authorised by the Board of Directors to act within its terms of reference and will be provided with Trust resources to do so. All members of Trust staff are directed to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary.
- 2.3 The Committee has no executive powers other than those set out in these Terms of Reference.
- 2.4 The Committee is authorised to meet via a virtual/remote arrangement if it deems that necessary.

3.0 Purpose and Duties

- 3.1 The purpose of the Committee is to:
- Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives.
 - Ensure that there is an effective internal audit function that meets the mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Chief Executive, this Committee and the Board.
 - Review the work and findings of the external auditors and consider the implications and management's responses to their work.
 - Review the work of other committees within the organisation whose work can provide relevant assurance to the Committee's own scope of work. This will, in particular, include the review of assurances provided to the Committee by the Quality Committee and the Finance and Investment Committee.
 - Review the findings of other significant assurance functions, both internal and external to the organisation and consider the implications for the

governance of the organisation.

- Satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of counterfraud work.
- Monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.
- 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 to the Board. A primary source of assurance in this regard shall be the Finance and Performance Committee.

4.0 Responsibilities

4.1 Governance, Risk Management and Internal Control

4.1.1 The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives. In particular, the Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the Annual Governance Statement, Board memoranda and self-certification statement to the Regulator, declarations of compliance with the Code of Governance and the Essential Standards of Quality and Safety, together with any accompanying Head of Internal Audit Opinion, external audit opinion and other appropriate independent assurance, prior to endorsement by the Board;
- The statements contained within the Quality Account, together with review of associated external audit assurance opinion as directed by NHS England;
- 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 policies for ensuring compliance with the relevant regulatory, legal and code of conduct requirements;
- The policies and procedures for all work related to fraud and corruption as set out by NHS Counter Fraud Authority; and
- Arrangements by which staff of the Trust may raise, in confidence, concerns about the service in matters of financial reporting and control, clinical quality, patient safety or other matters, with the aim of ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow up action.

4.1.2 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 sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with

indicators of their effectiveness. This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

4.2 Internal Audit

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

- Consideration of the provision of Internal Audit service, the tendering procedure for any change in audit provider, the cost of the audit and any questions of resignations and dismissal;
- Review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework;
- Consideration of the major findings of internal audit work and management response thereto and ensure coordination between Internal and External auditors to optimise audit resource;
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organization; and
- Annual review of the effectiveness of Internal Audit.

4.3 External Audit

4.3.1 The Committee shall review the work and findings of the External Auditor and consider the implications and management responses to their work, this will be achieved by:

- Considering the appointment and performance of the External Auditor, as far as the national guidelines permit;
- Discussion and agreement with the External Auditor, before audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination as appropriate, with other External Auditors in the local health economy;
- Discussion with External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee;
- Approve the Annual Plan and Associated fees;
- Review all external audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the Audit Plan, together with the appropriateness of the management response; and
- Development and implementation of a policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance and in context of the role of the Auditor Panel to advise the Board on the selection and appointment of the External Auditor.

4.4 Other assurance functions

- 4.4.1 The Committee shall review the findings of other significant assurance functions. These will include but are not limited to:
- Any reviews by the Department of Health Arm's Length Bodies or Regulators/Inspectors, e.g. the Care Quality Commission, NHS England.
 - Professional Bodies with the responsibility for the performance of staff e.g. Royal Colleges, accreditation bodies etc.
- 4.4.2 The Committee will review the work of other Board Committees in the Trust, whose work can provide relevant assurance to this Committee's own scope of work.

4.5 Management

4.5.1 The Committee will request and review reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

4.5.2 It may also request specific reports from individual functions within the organisation as it may deem to be appropriate to the overall arrangements.

4.6 Financial reporting

4.6.1 The Committee will monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

4.6.2 The Committee will 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 to the Board.

4.6.3 The Committee will review the Annual Report and Financial Statements before submission to the Board, focusing particularly on:

4.6.4 The Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee.

4.6.5 Changes in, and compliance with, accounting policies, practice and estimation techniques, including the following:

- Unadjusted misstatements in the financial statements;
- Significant judgements made in the preparation of the financial statements; Significant adjustments resulting from the audit;
- The letter of management representation; and
- Qualitative aspects of financial reporting.

4.7 Standing Orders and Standing Financial Instructions.

4.7.1 The Committee will:

- Seek assurance regarding compliance with Standing Orders and Standing Financial Instructions.
- Consider any proposed changes to Standing Orders and Standing Financial

Instructions, prior to presentation to the Board.

- Review schedules of losses and special payments and make recommendations to the Board.
 - Review retrospectively every decision to suspend Standing Orders.
 - At least once every 12 months, review the Register of Members Interests maintained by the Chief Executive.
 - If so directed by the Board, conduct a detailed review of annual or period budgets including proformas prepared for the Department of Health, but these are to be returned to the Board for approval.
 - Receive reports at each meeting from the Charitable Funds Committee regarding governance, risk management, control, audit and financial reporting matters.
- 4.7.2 Consider any other matters of financial accountability, probity, compliance and/or value for money as and when requested by the Board.
- 4.7.3 Other matters may be considered when directed to do so by the Board.

5.0 Relationships

- 5.1 The Committee will seek the views of Board Committees to gain assurance on Trust systems to provide timely and on-going assurance regarding the effectiveness of systems of integrated governance, risk management and internal control within those Committees' areas of concern as per their respective terms of reference.
- 5.2 The Committee will oversee the relationship of the Trust with External and Internal Audit functions. It will seek their views on the Trust's systems of control and will consider the Executives' response to the auditors' work.

6.0 Membership

- 6.1 The Committee membership will be agreed by the Board of Directors and will consist of three Non-executive Directors (excluding the Chair of the Trust who will not be a member of the Committee):
- 6.2 The Board will appoint a Chair and Vice Chair of the Committee.

7.0 Attendees

- 7.1 Attendees will include:
- Executive Director of Finance
 - Executive Director of Quality, Governance and Performance Assurance, #
 - The Head of Internal Audit
 - Company Secretary
 - a representative of the External Auditors will normally attend all Committee meetings.

- 7.2 The Executive Director of Finance will be the Executive Director Lead for the Committee.
- 7.3 The Chief Executive and other Executive Directors shall be invited, particularly when the Committee is discussing areas of governance, risk or control that is the responsibility of that director.
- 7.4 Where reports of the internal auditors reflect 'no' or 'limited assurance' the relevant director should assume their attendance at the next meeting of the Committee is required.
- 7.5 The Chief Executive shall attend meetings to discuss with the Committee the process for assurance that supports the Annual Governance Statement, to review each year's draft internal audit plan and the draft annual accounts.
- 7.6 At least once a year the Committee will meet with each of the External and Internal Auditors without any Executive Director of the Board present.
- 7.7 Additional Trust members of staff or external people will be invited as and when required to support the workings of the meeting.
- 7.8 An attendance record will be held for each meeting.

8.0 Quorum

- 8.1 The Committee will be deemed quorate with two members.
- 8.2 No business shall be transacted by the Committee unless a quorum is present.
- 8.3 Members are able to attend Committee meetings in person, by telephone, or by other electronic means.
- 8.4 Members in attendance by electronic means will count towards the quorum.

9.0 Committee Administration

- 9.1 The Committee meet (five time per year) quarterly with the addition of a fifth meeting to review the Trust's Annual Accounts. The Committee Chair and the External Auditor or Head of Internal Audit may request an additional meeting if they consider this necessary, in order to allow the Committee to discharge all of its responsibilities.
- 9.2 Additional meetings will be convened by the Committee Chair as necessary. The Committee Chair will ensure that, if an additional meeting(s) are held virtually, these must be recorded and the minutes reviewed and approved by the Board.
- 9.3 The Chair of the Committee and the Director Lead will meet to agree the agenda for each meeting. The agenda will be based on the Committee Annual Work Plan and any agreed additional items.
- 9.4 The Director Lead for the Committee will be the Executive Director of Finance. The Company Secretary or their nominated designate will support the Chair of the Committee and Lead Director in the management of the Committee's business and for drawing attention to good practice, national guidance and other relevant documents, as appropriate.
- 9.5 Notice of each meeting, shall be made available to each member of the Committee, no less than four working days before the date of the meeting in electronic form unless agreed otherwise by the Chair and Lead Director.

- 9.6 Administrative support to the Committee shall be provided by the secretary. The secretary will take minutes and clearly record actions. Items for inclusion on the agenda shall be submitted to the secretary 10 days prior to the meeting. Agendas can only be amended by the agreement of the Committee Chair and Director Lead.
- 9.7 The Chair shall establish, at the beginning of each meeting, the existence of any conflicts of interest and ensure that these are recorded in the minutes accordingly.
- 9.8 The Committee Secretary shall minute the proceedings of all Committee meetings and provide draft minutes within five working days, reviewed by the Lead Director and then approved by the Committee Chair within 10 working days of the meeting.

10.0 Reporting and Accountability

- 10.1 The Committee is accountable to the Board of Directors.
- 10.2 The Chair will report to the Board of Directors following each meeting on how it has discharged its responsibilities. The Chair of the Committee shall provide the Board with a Chair's Assurance Report following each Committee meeting, providing assurance or highlighting risks or issues that require executive action. The approved minutes of Committee meetings shall be formally recorded and submitted to the Board.
- 10.3 The Committee will report to the Board annually on its work in support of the annual governance statement. The Annual Report should also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee has considered and how these were addressed.
- 10.4 The Committee Chair shall attend the Annual General Meeting to respond to any stakeholder questions on the Committee's activities.

11.0 Monitoring and Review

- 11.1 The Terms of Reference of the Committee will be reviewed at least annually and submitted to the Board for approval.
- 11.2 The Committee will undertake an annual review of its performance, via self-assessment by its members and any agreed actions, will be reported to the Board.

Reviewed by the Committee: 29 June 2023

Approved by the Board of Directors: 29 June 2023

Next Planned Annual Review: April 2024