

Terms of Reference – Group Audit & Assurance Committee

Assurance & Risk

- Obtain assurance that there is sufficient and systematic review of the risk management and internal control arrangements.
- Identify potential sources of, and obtain where appropriate, assurance on areas of risk which are not readily auditable – or where further/alternate assurance is appropriate.
- Oversee the embedding and maintenance of an effective system of internal control and ensure that any significant weaknesses are identified and remedied.
- Review the annual report on the effectiveness of the systems of internal control and make appropriate recommendations to the Board.

Internal Audit

- Review and approve the annual and three year rolling internal audit plan, and monitor delivery of the plan, including approving any changes during the year.
- Receive and consider reports by the internal auditor, or similar additional external organisation, on significant audit findings, together with the response from managers to these reports and monitor implementation of recommendations.
- Recommend to the Board, the internal audit arrangements, including the appointment, reappointment or otherwise, fees and method and terms of engagement of the internal auditor.
- Recommend the Board response to any audit letters, reports, and investigation.
- Review and annually appraise the effectiveness of the internal audit activities.
- Discuss with the external auditor any problems, reservations or issues arising from the interim or final audits or other investigations.

External Audit

- Advise the Board on the (re)appointment of the external auditor.
- Oversee the tendering and procurement of external audit services on an agreed cycle.
- Review and monitor the external auditor's terms of reference; annually appraise the external audit service, approve the fees and terms of engagement, agree, and monitor the programme of work.

Statutory

- Receive and consider reports on any statutory, regulatory or inspection reports, recommendations, or notices of non-compliance with requirements, proposed responses and action plans and monitor timely implementation of recommendations.
- Recommend approval of the Financial Statements to the Board.
- Receive reports from the Customer Assurance Team.

Anti-Fraud & Whistleblowing

- Obtain assurance on effectiveness of arrangements by which employees or others may raise concerns (whistleblowing).
- Receive reports relating to matters of whistleblowing or alleged or actual fraudulent activity.

Other

- The Committee has an unfettered right of access to all information within the Group and the active co-operation of all of the Group's employees to enable it to carry out its responsibilities.
- The Committee may obtain independent legal or other professional advice and secure the attendance of others, to assist in fulfilling its responsibilities.
- At least annually the Committee shall meet in closed sessions with both the external and internal auditors.
- The Trust's internal and external auditors have direct access to the Chair of the Committee to ensure the independence of the audit functions. Any Board or staff member with serious concerns has right of access to the Chair of the GAAC (further details are in the Whistleblowing Policy).
- To review the Gifts & Hospitality Register at each meeting and a summary report annually.