



Public Health
England

Audit and Risk Committee

Terms of Reference

1. Purpose

- 1.1. The PHE Advisory Board has established an Audit and Risk Committee as a standing committee of the Board to support the Chief Executive and Accounting Officer in his responsibilities for issues of risk, control and governance. The Committee will provide advice and assurance on the development and maintenance of appropriate corporate governance, risk management and internal control arrangements, including assurance of PHE's risk management plan.

2. Constitution

- 2.1 The Committee is governed by the Public Health England Framework Document signed by the Secretary of State and the Terms of Reference of the Advisory Board.
- 2.2 The Audit Committee is an advisory body with no executive powers; it is not the duty of the Audit Committee to carry out any function that properly belongs to the National Executive.

3. Membership

- 3.1 The members of the Audit and Risk Committee are:

<u>Non-executive Board members:</u>	<u>Expiry of Current non-executive term</u>
Martin Hindle	31 May 2016
Derek Myers	31 May 2017

<u>Independent External members:</u>		
<u>Name</u>	<u>Appointed</u>	<u>Expiring/renewal date</u>
Gill Laver	November 2013	31 March 2014
Allan Robertson	November 2013	31 March 2014

- 3.2 The Audit and Risk Committee will be chaired by Derek Myers.
- 3.2 The Audit and Risk Committee will be provided with a secretariat function by Victor Knight.

4. Reporting

- 4.1 The Audit and Risk Committee will formally report in writing to the Board and Accounting Officer after each meeting. This will be by the issuing of minutes plus any other report that the Committee may deem appropriate. Minutes will be provided to the Chair for review in time for presentation to the next meeting of the Advisory Board and not later than the end of the week following the meeting.

4.2 The Audit and Risk Committee will provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

5. Responsibilities

5.1 The Audit and Risk Committee will advise the Board and Accounting Officer on:

- 5.1.1 the strategic processes for risk, control and governance and the Governance Statement;
- 5.1.2 the 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, and management's letter of representation to the external auditors;
- 5.1.3 the planned activity and results of both internal and external audit;
- 5.1.4 adequacy of management response to issues identified by audit activity, including external audit's management letter;
- 5.1.5 assurances relating to the management of risk and corporate governance requirements for the organisation;
- 5.1.6 (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services• anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- 5.1.7 the Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Board.

6. Rights

6.1 The Audit and Risk Committee may:

- 6.1.1 co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- 6.1.2 procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

6.2 The Committee has the authority to require any member of staff to attend its meetings.

7. Access

7.1 The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Committee.

8. Meetings

- 8.1 Meetings of the Audit and Risk Committee are chaired by the appointed Chair, who is not the Chair of the PHE Advisory Board. The appointment is made independently of Public Health England by the Secretary of State, with the Department of Health Appointments Team.
- 8.2 The Audit and Risk Committee will meet at least four times a year. The Chair of the Audit and Risk Committee may convene additional meetings, as they deem necessary;
- 8.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than ten days before the date of the meeting.
- 8.4 A minimum of three members of the Audit and Risk Committee will be present for the meeting to be deemed quorate, of whom two must be non-executive members of the PHE Advisory Board; (This rule is waived for the first meeting of the Committee pending formal appointment of the Committee members and independent members.)
- 8.5 Audit and Risk Committee meetings will normally be attended by the Accounting Officer, the Finance Director, Risk Manager, Head of Internal Audit, and a representative of External Audit.
- 8.6 The Audit and Risk Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.
- 8.7 The Audit and Risk Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- 8.8 The Advisory Board or the Accounting Officer may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

9. Information requirements

- 9.1 For each meeting the Audit and Risk Committee will be provided at least one week ahead of the meeting with:
 - 9.1.1 a report summarising any significant changes to the organisation's strategic risks, a copy of the strategic/corporate Risk Register and the Committee will receive or propose new strategic risk items;
 - 9.1.2 a progress report from the Head of Internal Audit summarising:
 - 9.1.3 work performed (and a comparison with work planned);
 - 9.1.4 key issues emerging from the work of internal audit;

- 9.1.5 management response to audit recommendations;
- 9.1.6 changes to the agreed internal audit plan; and
- 9.1.7 any resourcing issues affecting the delivery of the objectives of internal audit;
- 9.1.8 a progress report (written or oral) from the External Audit representative summarising work done and emerging findings (this may include, where relevant, aspects of the wider work carried out by the NAO such as Value for Money reports and good practice findings);
- 9.1.9 management assurance reports; and
- 9.1.10 reports on the management of major incidents, “near misses” and lessons learned.

9.2 As and when appropriate the Committee will also be provided with:

- 9.2.1 proposals for the terms of reference of internal audit / the internal audit charter;
- 9.2.2 the internal audit strategy;
- 9.2.3 the Head of Internal Audit’s Annual Opinion and Report;
- 9.2.4 quality assurance reports on the internal audit function;
- 9.2.5 the draft accounts of Public Health England ;
- 9.2.6 the draft Governance Statement;
- 9.2.7 a report on any changes to accounting policies;
- 9.2.8 external Audit’s management letter;
- 9.2.9 a report on any proposals to tender for audit functions;
- 9.2.10 a report on co-operation between internal and external audit;
- 9.2.11 the organisation’s Risk Management strategy;
- 9.2.12 presentation by the Executive Director or other risk owner of operational risk registers of each directorate, on a rotating basis.
- 9.2.13 a Board Assurance Framework.

10. Competency Framework

10.1 All members of the Audit and Risk Committee shall have, or acquire as soon as possible after appointment:

- 10.1.1 Understanding of the objectives of the Agency, and current significant issues it faces, and emerging significant risks;
- 10.1.2 Understanding of the Agency’s structure, including key relationships such as that with a sponsoring department or major partners;
- 10.1.3 Understanding of the Agency’s culture;
- 10.1.4 Understanding of any relevant legislation or other rules governing the Agency;
- 10.1.5 Broad understanding of the government environment, particularly Accountability structures and current major initiatives.

10.2 The Audit Committee should possess corporately:

- 10.2.1 Knowledge / skills / experience (as appropriate and required) in:
 - 10.2.1.1 Accounting;

- 10.2.1.2 Risk management;
- 10.2.1.3 Audit;
- 10.2.1.4 Technical or specialist issues pertinent to the organisation's business.

- 10.2.2 Experience of managing similar sized organisations;
- 10.2.3 Understanding of the wider relevant environments in which the Agency operates;
- 10.2.4 Detailed understanding of the government environment and accountability structures.

Victor Knight
Board Secretary
18 November 2013

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