

Audit and Risk Committee

Terms of Reference

June 2025

Version 1.02

1. Purpose

- 1.1. The UKHSA Advisory Board has established an Audit and Risk Committee (ARC) of the Advisory Board to support the Chief Executive and Accounting Officer in their personal responsibility for issues of risk, control and governance. The ARC reviews the comprehensiveness of assurance in meeting the Accounting Officer's assurance needs and reviews the reliability and integrity of these assurances. The ARC will provide advice and assurance on the development and maintenance of appropriate corporate governance and internal control arrangements, including assurance of UKHSA's strategic risk management, finances, and major capital projects.

2. Constitution

- 2.1 The Committee is a mandatory requirement as set out in paragraph 5.16 of the UKHSA Framework Document signed by the Secretary of State for Health and Social Care and the Terms of Reference of the UKHSA Advisory Board.
- 2.2 The ARC is an advisory and assurance committee with no executive powers; it is not the duty of the ARC to carry out any function that properly belongs to the Executive.

3. Collaboration

- 3.1 The Audit and Risk Committee will work closely with other fora in UKHSA including:
 - a) the Executive Committee and its committees
 - b) the Finance, Performance, Risk and Assurance (FPRA) Evolve Programme Committee
- 3.2 The Audit and Risk Committee will work closely with:
 - a) The National Audit Office
 - b) The Government Internal Audit Agency
 - c) The Finance, Performance, Risk and Assurance team

4. Membership

- 4.1 The Audit and Risk Committee shall be chaired by a non-executive member appointed by the Secretary of State for Health and Social Care to the UKHSA Advisory Board and selected and appointed by the UKHSA Advisory Board to the role of Committee Chair.

- 4.2 At least one other non-executive member of the Advisory Board shall be appointed to serve on the Committee by the Advisory Board
- 4.3 No more than two associate non-executive members can be appointed to serve on the Committee by the Advisory Board
- 4.4 The members of the Audit and Risk Committee are:
- Non-executive Chair – Cindy Rampersaud
 - Non-executive member – Jon Friedland
 - Non-executive member – Sir Gordon Messenger
 - Associate non-executive member – Sarah Jensen
- 4.5 The Audit and Risk Committee may invite individuals with particular expertise, knowledge or experience to provide input on a specific topic or agenda item.
- 4.6 Audit and Risk Committee meetings will normally be attended by the Accounting Officer, the Chief Operating Officer, Director of Finance, Performance, Risk and Assurance, Head of Internal Audit, and a representative of External Audit.
- 4.7 The Audit and Risk Committee shall review its membership at least every two years.
- 4.8 Members of the Committee and additional attendees are expected to attend all meetings (or send apologies when unavoidably absent) wherever possible. However, on approval of the Chair an appropriate colleague may attend in their place to represent them.

5. Reporting

- 5.1. The Chair of the Committee will provide a verbal update at the following Advisory Board on committee business since the last report.
- 5.2. The minutes of each meeting will be shared with the Advisory Board once confirmed by the Committee.
- 5.3. Draft minutes will be provided to the Chair for review in time for presentation to the next meeting of the UKHSA Advisory Board and not later than the end of the week following the meeting. The minutes will be formally approved at the next meeting of the ARC.
- 5.4. The Advisory Board and Executive Committee will have right of access to everything seen or produced by the Audit and Risk Committee.
- 5.5. The ARC will provide the UKHSA Advisory Board and Accounting Officer with an Annual Report of its activities, timed to support finalisation of the accounts

and the Governance Statement, summarising its conclusions from the work it has done during the year.

- 5.6. As set out in paragraph 6.18 of the Framework Document, the ARC Chair shall also escalate any risk concerns to Department of Health and Social Care's (DHSC) Senior Departmental Sponsor and may be asked to attend DHSC's Audit and Risk Committee to explain risks.

6. Responsibilities

- 6.1. The ARC will advise the Accounting Officer and the UKHSA Advisory Board on:

- 6.1.1. the strategic processes for risk, control and governance and the annual Governance Statement;
- 6.1.2. the accounting policies and the annual report and accounts 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;
- 6.1.3. the accountability arrangements established to support the accounting officer;
- 6.1.4. compliance with the Orange Book;
- 6.1.5. the planned programme and results of both internal and external audit;
- 6.1.6. the adequacy of management's response to issues identified by audit activity, including the external auditor's management letter;
- 6.1.7. assurances relating to the management of risk and corporate governance requirements for the organisation;
- 6.1.8. (where appropriate) proposals for tendering for either Internal or External Audit services or purchase of non-audit services from contractors who provide audit service;
- 6.1.9. anti-fraud policies, whistle-blowing processes and arrangements for special investigations;
- 6.1.10. periodically review its own effectiveness and report the results of that review to the UKHSA Advisory Board;
- 6.1.11. how to respond to findings and recommendations from external bodies (for example, the House of Commons Public Accounts Committee)

- 6.2. The Chair of the Audit and Risk Committee will provide independent advice to the Chief Executive on risk and ensure that the DHSC Audit and Risk Committee is provided with assurances with escalation of any significant limitations or concerns.

7. Rights

- 7.1. The Audit and Risk Committee may:

- 7.1.1 co-opt additional independent members, who, for the avoidance of doubt, shall not be members of UKHSA staff, for a period not

exceeding a year to provide specialist skills, knowledge and experience;

- 7.1.2 procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Advisory Board and in discussion with the Director of Finance, Performance, Risk and Assurance.

- 7.2. The ARC has the authority to require any member of staff to attend its meetings through the Chief Executive.

8. Access

- 8.1. The Head of Internal Audit and representatives of External Audit will have free and confidential access to the Chair.

9. Meetings

- 9.1. The ARC will meet at least four times a year. The Chair may convene additional meetings, as they deem necessary. In the absence of the appointed Chair, the meeting shall be chaired by a non-executive member of the Advisory Board appointed by the Secretary of State.
- 9.2. ARC meetings will not be held in public but a summary of the business will be put on the agenda for public sessions of the UKHSA Advisory Board and published on UKHSA's website with Advisory Board papers (subject to any redactions in line with exemptions under the Freedom of Information Act 2000).
- 9.3. 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 seven days before the date of the meeting.

10. Quorum

- 10.1. A minimum of 2 members of the Audit and Risk Committee will be present for the meeting to be deemed quorate.
- 10.2. Where a meeting is not quorate under paragraph 9.1 within one half hour from the time appointed for the meeting, or becomes inquorate during the course of the meeting, the Audit and Risk Committee members present may determine:
- To adjourn to such time, date and place as they determine; or
 - To continue and confirm any decision at the next quorate meeting.

- 10.3. The ARC 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.
- 10.4. The UKHSA Advisory Board or the Accounting Officer may ask the ARC to convene further meetings to discuss particular issues on which they want the ARC's advice.

11. Secretariat

- 11.1. The Secretary for the Audit and Risk Committee will be the Head of Governance or their nominee in the Corporate Governance team.
- 11.2. The Secretary will keep a formal record of all agendas, papers and minutes produced in the course of its business. This will be kept by the Corporate Governance team.
- 11.3. The minutes shall include:
 - the names of every member present at the meeting; any other person present; and any apologies tendered by an absent member; he withdrawal from a meeting, or part of a meeting, of any member on account of a conflict of interest;
 - any declaration of interest;
 - key points of discussion, recommendations and actions.

12. Information requirements

- 12.1. For each meeting the ARC will be provided at least one week ahead of the meeting with:
 - 12.1.1. a report summarising any significant changes to the organisation's strategic risks, a copy of the Strategic Risk Register; the ARC can propose new strategic risk items for inclusion, subject to the agreement of the Chief Executive;
 - 12.1.2. a progress report from the Head of Internal Audit summarising:
 - work performed (and a comparison with work planned);
 - key issues emerging from the work of internal audit;
 - management response to audit recommendations;
 - changes to the agreed internal audit plan; and
 - any resourcing issues affecting the delivery of the objectives of internal audit;
 - 12.1.3. 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;

12.1.4. management assurance reports as deemed appropriate from time-to-time, for example, on health and safety, information governance, major investment programmes and quality and clinical governance; and

12.1.5. investigation reports into any serious untoward incidents, significant action taken by regulatory bodies (e.g. Health and Safety Executive, Information Commissioner's Officer) and implementation of follow-up action on these.

12.2. As and when appropriate, the ARC will also be provided with:

- proposals for the terms of reference of internal audit / the internal audit charter;
- the internal audit strategy;
- the Head of Internal Audit's Annual Opinion and Report;
- quality assurance reports on the internal audit function;
- the draft annual accounts of UKHSA;
- the draft Governance Statement;
- a report on any changes to accounting policies;
- external Audit's management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between internal and external audit;
- the organisation's Risk Management strategy;
- presentation by the Executive Director or other risk owner of operational risk registers of each directorate, on a rotating basis;
- a Board Assurance Framework.

10. Competency Framework

10.1 All members of the ARC shall have, or acquire as soon as possible after appointment:

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

10.2 Collectively members will have a balance of skills and experience appropriate to UKHSA's business, including knowledge / skills / experience (as appropriate and required) in:

- Accounting;
- Risk management;
- Audit;
- Experience of managing similar sized organisations;
- technical or specialist issues pertinent to the organisation's business.
- an understanding, to be informed during the work of the ARC, of the wider relevant environments in which the Agency operates; and
- an understanding, to be informed during the work of the ARC, of the government environment and accountability structures.

Date agreed by UKHSA Audit and Risk Committee: 3 June 2025

Date endorsed by UKHSA Advisory Board: 8 July 2025