

REPORT FROM THE AUDIT COMMITTEE

PAPER F

The Healthwatch Rutland CIC Audit Committee met in August and October under the Chair of Sean Williams, Board Member.

The committee considered the following issues and confirmed it has no concerns about the governance of the company.

The following issues are being reviewed:-

- Final Terms of Reference – Confirmed and attached
- Final Work Programme for 2017-18 – Confirmed and attached
- Final Accounts for 2016-17 & submission to Companies House – Received
- Fixed Asset Register – work in progress
- Risk Register – work in progress
- Banking – arrangements finalised as per SFI
- Home and Remote working- Update received
- Online Engagement – updated (and preparation of rolling programme of policy review in progress).
- Mid-Year Budget and report – Projection within budget
- Healthwatch Contract from April 2018– RCC Cabinet decision and tendering process noted.

FOR INFORMATION

Healthwatch Rutland CIC – Audit Committee

Terms of Reference and Member duties August 2017

1. ROLE

1.1 The Audit Committee reports to the Board of Healthwatch Rutland Community Interest Company and is responsible for overseeing and monitoring all systems, controls and processes that may have an impact on Healthwatch Rutland CIC's ability to meet its objectives (subsequently referred to as "the Company"). The Audit Committee ensures that:

- Effective audit functions are in place.
- Adequate risk management policies and procedures are in place.
- Adequate internal control policies and procedures are in place.

2. MAIN TASKS

- 2.1 On an annual basis, to select and recommend to the Board of Members for appointment or re-appointment a qualified firm of auditors to act as the company's external auditors and ensure that the audit partner is rotated from time to time.
- 2.2 To recommend to the Board of Members the remuneration to be paid to the external auditors.
- 2.3 To consider all other aspects of the external audit including the nature and scope of the statutory audit, the recommendation of audited financial statements to the Board, and the discussion of issues raised in the external auditor's management letter.
- 2.4 To review all reports prepared by the external auditor and agree the programme of work proposed by management to address issues raised.
- 2.5 To review the effectiveness of the company's financial reporting procedures to ensure that the annual financial statements are true and fair and conform to accounting standards, and that accounting policies are appropriate and applied consistently.
- 2.6 To review the annual financial statements before they are submitted to the Board focussing particularly on:
- Any changes in accounting policies and procedures
 - Any decisions requiring a major element of judgement
 - Significant adjustments resulting from the external audit
 - The going concern assumption
 - Compliance with accounting standards
- 2.7 To review the draft Annual Report and ensure that it is a true reflection of the company's activities and performance.
- 2.8 To review the effectiveness of the company's internal control and management information systems to ensure that they are fit to ensure:

- operational effectiveness and efficiency
- compliance with legislation and regulations
- compliance with the company's own policies and procedures
- compliance with the company's quality and service standards
- the reliability of management and financial information.

2.9 To review the effectiveness of the company's internal control policies and procedures for the identification, assessment and reporting of risks.

2.10 To ensure that an up-to-date risk and other registers are maintained and presented to the Board of Members on a regular basis. These registers will include risks, assets, members' interests and controlling interests.

2.11 To ensure that management takes steps to minimise risks (where appropriate and possible), monitor and manage risks.

2.12 To review the Chief Executive Officer's annual assurance statement on the adequacy of internal controls before endorsement by the Board of Members at its AGM via the annual report and in particular to review:

- The procedures for identifying risks and controlling their impact on the company
- The company's fraud policy
- The company's policies for ensuring that it complies with regulatory and legal requirements for the operational effectiveness of its policies and procedures.

The Assurance statement will be included in the company's annual report.

2.13 To monitor cases of suspected theft or fraud and ensure that they are properly investigated and that any continuing risk is minimised.

2.14 The committee shall consist of 5 members of the main Board (including the Chair) of which 3 members will constitute a Quorum.

2.15 Meetings will be held at least 3 times per year or more frequently as the need arises.

Audit Committee Work Programme Final 2017-18

Management & Final Accounts

- a. Appointment or re-appointment auditors including rate of remuneration.
- b. To review the effectiveness of the company's financial reporting procedures to ensure that the annual financial statements are true and fair and conform to accounting standards, and that accounting policies are appropriate and applied consistently.
- c. To review the annual financial statements before they are submitted to the Board focussing particularly on:
 - Any changes in accounting policies and procedures
 - Any decisions requiring a major element of judgement
 - Significant adjustments resulting from the external audit
 - The going concern assumption
 - Compliance with accounting standards
 - Review all reports prepared by the external auditor and agree the programme of work proposed by management to address issues raised.
 - The Audit Committee Chair will review the Management Accounts prior to submission to the Board.

Annual Report

Review the draft Annual Report in before being finalised in June of each year.

Risk Management

- Review the effectiveness of the company's internal control policies and procedures for the identification, assessment and reporting of risks.
- Establish, populate and review the risk register
- Report any untoward incidents and action taken
- Receive the Chief Executive Officer's annual assurance statement on the adequacy of internal controls before endorsement

Internal Policies & Procedures

Review operation of HWRCIC policies and procedures in line with each policy's agreed review date and identify actions to be taken to ensure compliance.

Articles of Association
Standing Orders
Standing Financial Instructions
Code of Conduct
Confidentiality
Data Protection
Disciplinary (Staff)
Enter & View
Expenses (Staff)

Environmental
Equality & Diversity
Grievance (Staff)
Home & Remote Working
Online Engagement
Safeguarding
Volunteer Involvement
Whistleblowing