

Paper C: Report of the Audit Committee

During 2016-17 the Board of Healthwatch Rutland Community Interest Company established an Audit Committee to oversee the work of the Community Interest Company. Its Chair is Sean Williams and Members are Jennifer Fenelon, Bart Hellyer, Christine Stanesby & Judith Worthington. The following terms of reference were agreed;

Healthwatch Rutland CIC Audit Committee Terms of Reference and member duties

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 Board Members for appointment or re-appointment of 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 Board 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 Board 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), and to 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 Board 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 should the need arise.

Audit Committee Work Programme

The Audit Committee has met and established its work programme which is as follows and the CEO statement of compliance will be received by the Board with the Annual Report in June of each year;

A. 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.
 - Reviewing all reports prepared by the external auditor and agreeing 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.

B. Annual Report

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

C. Risk Management

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

D. Internal Policies & Procedures

Review operation of the Company's policies and procedures in line with each policy's agreed review date and identify actions to be taken to ensure compliance. (These can be found on the website www.healthwatchrutland.co.uk).