

**INTEGRATED GOVERNANCE AND AUDIT COMMITTEE  
NORTH EAST LINCOLNSHIRE CLINICAL COMMISSIONING GROUP  
TERMS OF REFERENCE**

**1 CONSTITUTION**

The CCG constitution requires the Governing Body to establish a committee to be known as the Integrated Governance and Audit Committee (the Committee). The Committee is a non-executive committee and has no executive powers other than those specifically delegated in these Terms of Reference.

**2 MEMBERSHIP**

The Committee membership shall be:

- Lay member with responsibility for finance and governance (Chair)
- Not less than one other member of the Governing Body, who shall be a lay member (*For the purpose of this committee, definition of Lay Member is a non-officer*)
- A GP who is drawn from within the CCG practice membership
- A NELC councillor who is a member of the Union Board

The chairman of the CCG Governing Body shall not be a member of the Committee. The Committee membership shall not include any executive officers of the organisation.

In the event that a member is not able to attend, deputies may attend meetings on their behalf but shall not vote.

In the event of the Committee Chair being unable to attend a meeting, he or she will nominate a replacement from within the membership to deputise.

The Quorum shall be two members

**3 ATTENDANCE**

The Chief Finance Officer, sub group chairs and appropriate Internal and External Audit representatives shall normally attend meetings. However, at least once a year the Chair shall meet privately with External and Internal Auditors.

The Accountable Officer and other senior officers may be invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that senior officer.

The CCG's Senior Information Risk Owner (SIRO) will attend at least one meeting per year.

## 4 FREQUENCY

Meetings shall be held not less than three times a year.

## 5 AUTHORITY

The Committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Governing body to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## 6 DUTIES

The duties of the Committee are as follows:

### 6.1 Governance, Risk Management and Internal Control

The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.

In particular, the Committee will review the adequacy and effectiveness of:

- (a) All risk and control related disclosure statements (in particular those required to support the annual accounts and Annual Report), together with any accompanying Head of Internal Audit statements, external audit opinions or other appropriate independent assurances, prior to endorsement by the Board.
- (b) The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- (c) The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification.
- (d) The policies and procedures for all work related to fraud and corruption as set out in Standards on Fraud, Bribery and Corruption and as required by NHS Protect.
- (e) Ensure accountability arrangements are in place for Health and safety requirements of the CCG as an organisation regarding CCG staffing, the environment and risk.
- (f) Assurance of CCG governance arrangements and compliance with legal and statutory requirements
- (g) Conflict of interest policy approval and compliance with national requirements.

In carrying out this work the Committee will primarily utilise the work of Internal Audit and other assurance functions, but not be limited to these audit functions. It will also seek reports and assurances from Officers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

## **6.2 Internal Audit**

The Committee shall ensure that there is an effective internal audit function established by management that meets mandatory Public Sector Internal Audit Standards (PSIAS) and provides appropriate independent assurance to the Committee, Accountable Officer and Governing Body.

This will be achieved by:

- (a) Consideration of the provision of the Internal Audit service, the cost of the audit and any questions of resignation and dismissal.
- (b) Review and approval of the Internal Audit strategies, operational plans and more detailed programmes of work, ensuring that this is consistent with the audit needs of the organisations as identified in the Assurance Frameworks.
- (c) Consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources.
- (d) Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisations.
- (e) Annual review of the effectiveness of internal audit.

## **6.3 External Audit**

The Committee shall review the work and findings of the External Auditor appointed by the CCG and considers the implications and management responses to their work.

This will be achieved by:

- (a) Consideration of the appointment and performance of the External Auditor.
- (b) Discussion and agreement with the External Auditor, before the audits commence, of the nature and scope of the audits as set out in the Annual Plans, and ensure coordination, as appropriate, with other External Auditors in the local health economy.
- (c) Discussion with the External Auditors of their local evaluation of audit risks and assessment of the CCGs and associated impact on the audit fees.
- (d) Review and receive all external audit reports, including the reports to those charged with governance, agreement of the annual audit letters and any work undertaken outside the annual audit plans, together with the appropriateness of management responses.

## **6.4 Information Governance**

- (a) The Committee shall have overall responsibility for monitoring and approving the Information Governance toolkit action plan.
- (b) To gain assurance on Information Governance compliance within projects, for any contentious or complex clinical IG issues.

## **6.5 Counter Fraud**

The Committee shall satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work.

## **6.6 Security Management**

Review progress against plans presented to Audit Committee and reviewed on a regular basis

## **6.7 Legal and Statutory compliance**

The Committee shall ensure that the organisation is acting in a manner that promotes and ensures effectiveness, efficiency and economy.

## **6.8 Management**

The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management, workforce and internal control in the organisation.

This shall include receiving a report in all instances where financial policies are proposed to be, or have been, waived.

They may also request specific reports from individual functions within the organisation (e.g. clinical audit) as they may be appropriate to the overall arrangements.

## **6.9 Other Assurance Functions**

The Committee shall be responsible for ensuring that it operates in compliance with the latest NHS Audit Handbook guidance.

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

These may include, but will not be limited to, any reviews by Department of Health Arm's Length Bodies or Regulators/Inspectors (eg, Care Quality Commission (CQC), NHS Litigation Authority etc), professional bodies with responsibility for the performance of staff or functions (eg, Royal Colleges, accreditation bodies etc).

In addition, the Committee will review the work of other groups within the organisation, whose work can provide relevant assurance to the Committee's own scope of work.

## 7 FINANCIAL REPORTING

The Committee shall review and approve the Annual Report and Financial Statements on behalf of the Governing Body.

The Committee will also ensure that the systems for financial reporting to the Union board and Governing Body, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the board.

## 8 REPORTING

The minutes of the Committee meetings shall be formally recorded and submitted to the Governing Body. The Chair of the Committee shall draw to the attention of the Governing Body any issues that require disclosure, or require executive action.

The Committee shall report annually to the Governing Body on the exercise of the Committees functions and responsibilities.

### **Freedom of Information Act 2000**

The minutes and papers of this Committee are, in the main, classed as public documents, except where matters, usually due to draft work in progress, issues of confidentiality or commercial sensitivity, are specifically deemed to be unsuitable for publication.

### **Standards of Business Conduct/Conflict of Interest**

All Committee Members must adhere to the CCG's Constitution and Standards of Business Conduct / Conflicts of Interest policies, together with NHS England statutory guidance on managing conflicts of interest.

Where a member of the committee believes that he /she has a conflict of interest in relation to one or more agenda items, they must declare this at the beginning of the meeting wherever possible, and always in advance of the agenda item being discussed. It will be responsibility of the Chair of Committee to decide how to manage the conflict and the appropriate course of action.

To further strengthen scrutiny and transparency of CCG's decision-making processes the CCG has an appointed Conflict of Interest Guardian. This role is undertaken by the CCG's Integrated Governance & Audit Chair.

Any interests which are declared at a meeting must be included on the CCG's Declaration of interest Register. Where this is not already the case, the individual with the conflict must ensure that the item is added to their declaration as soon as is practicable following the meeting.

## 9 SUB GROUPS

The committee shall establish sub groups to support delivery of its functions and responsibilities as and when it deems appropriate. Standing groups shall be:

- Financial assurance – chair: Chief Finance Officer



- Information Governance Steering Group – Chair – CCG SIRO
- Others as determined by the Committee

## 10 OTHER MATTERS

The Committee shall be supported administratively by the CCG executive administration team.

The terms of reference shall be reviewed annually.

***Agreed by IG & Audit Committee – 14 December 2018***

***Approved by Council of Members – March 2019***

***Ratified by Governing Body – 29 March 2019***

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