

Audit and Risk Management Committee Terms of Reference

1. Constitution

1.1 The Board hereby resolves to establish a committee of the Board to be known as the Audit and Risk Management Committee (ARMC).

2. Membership

2.1 The ARMC comprises a minimum of three non-executive members appointed by the Board, not including the Chair of the Board.

2.2 The Board appoints one of its members to serve as the chair of the committee. Details of the current members including the Chair are shown in Appendix 1.

2.3 All members are appointed for a three year term, which can be extended for up to a maximum further three years.

2.4 The ARMC may co-opt independent members who are not members of the Board for a period of time not exceeding a year, to provide specialist skills, knowledge and experience, subject to budgets agreed by the Board.

2.5 The Committee may appoint a substitute drawn from the membership of the Board of CHS.

2.6 A committee substitute may participate at a committee meeting in place of a member.

2.7 When a committee substitute attends a meeting (or other committee activity), he or she assumes the full rights of an ordinary member of the committee. In particular, the substitute can vote and is entitled to receive all committee papers.



3. Authority

3.1 The ARMC is authorised by the Board to review and approve any activity within its terms of reference.

4. Meetings and Quorum

4.1 The ARMC meets at least four times a year. The Chair of the committee may convene additional meetings as he/she deems necessary. Meetings may be held virtually if required.

4.2 The Chair of the Board may also ask the ARMC to convene further meetings to discuss particular issues on which he/ she wants the Audit and Risk Management committee's advice.

4.3 A minimum of two members of the ARMC must be present for the meetings to be deemed quorate. In the absence of the Chairperson, one of the other non-executive members will assume that role for the duration of the meeting. To ensure that the meeting is quorate, committee substitute(s) may be required to attend.

4.4 The National Convener/ Chief Executive Officer, Depute Chief Executive, the Director of Finance and the Business Manager are required to attend each meeting.

4.5 The Audit and Risk Management committee may ask any other officials to attend to assist it with its discussions on any particular matter.

4.6 The Governance Lead provides the ARMC with a secretarial support service.

4.7 The agenda and meeting papers are issued to members at least seven calendar days prior to the meeting unless agreed otherwise.

4.8 The Governance Lead minutes the proceedings and resolutions of all committee meetings including the names of those present and in attendance.

4.9 Minutes of every committee meeting are circulated to the committee for approval and approved minutes referred to the Board for noting as soon as practical.

4.10 The internal and external auditors attend all meetings.



4.11 The ARMC 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.

4.12 An Action Log is maintained to monitor progress on key issues raised at meetings.

5. Reporting

5.1 The Chair of the committee reports back to the Board, verbally or in writing, after each meeting. The committee takes directions from the Board on general or specific action it should take.

5.2 The ARMC provides an Annual Report, timed to support preparation of the Governance Statement summarising its conclusions from the work it has done during the year.

6. Responsibilities

6.1 The Audit Committee advises the Board and the Accountable Officer on:

6.1.1 The strategic processes for risk, control and governance.

6.1.2 Corporate and information governance arrangements.

6.1.3 The accounting policies, the approval of the Unsigned Annual Report and Accounts following completion of the audit and Management's Letter of Representation to the external auditors.

6.1.4 The planned activity and results of both Internal and External Audit.

6.1.5 The adequacy of management response to issues identified by audit activity, including external audit's report to those charged with governance.

6.1.6 The annual and longer term operating plans for internal audit, the resourcing of the internal audit to deliver these plans.

6.1.7 Monitoring the implementation of approved recommendations.

6.1.8 The external audit reports and, where appropriate, report to the Board any issues from the external audit of CHS, and any matter that the external auditors bring to the attention of the committee.



6.1.9 The adequacy of the arrangements for the management of CHS' compliance with legislation and regulation, focusing on data security, freedom of information, health and safety and equality.

6.1.10 Anti-Fraud and Corruption policy, Whistleblowing policy, and arrangements for special investigations.

7. Information Requirements

7.1 Agree a work programme at the start of each financial year for the year ahead.

7.2 For each meeting the ARMC is normally provided with:

7.2.1 a report on the performance relating to risk management, including a summary of any key changes to the risk register.

7.2.2 Information Governance reports including on the Joint Digital Oversight Committee.

7.2.3 a report from Internal Audit detailing, as appropriate:

- audit performed.
- key issues emerging from internal audit work.
- management responses to audit recommendations.
- the current internal audit plan including proposed changes.
- any issues affecting the delivery of internal audit objectives.
- progress on the implementation of agreed recommendations.

8. As and when appropriate, the Committee:

8.1 Reviews its Terms of Reference - annually. Proposals for amendment to the terms are submitted to the Board for formal approval.

8.2 Reviews its own effectiveness annually.

8.3 Considers the Draft Annual Report and Accounts prior to submission to the Board and reviews the Draft Governance Statement.

8.4 Reviews any changes to accounting policies.



8.5 Reviews the Management’s letter of Representation.

8.6 Reviews the effectiveness of CHS’ financial and other control systems.

8.7 Monitors CHS’ arrangements to secure Value for Money, whether these are made via internal or external audit or other means.

8.8 Monitors the effectiveness of Internal and External Audit, reviews the Internal Audit Annual Report and the ISA 260 from External Audit.

8.9 Alerts the Board and, where necessary, Scottish Ministers to factors which might affect the ability of CHS to carry out its statutory functions and achieve its strategic objectives.

Chair

Date



Appendix 1 - Membership of the Audit and Risk Management Committee (since August 2017)

Chair: Henry Robson

Members: Marian Martin and Lewis Ritchie.