



South Eastern Health
and Social Care Trust

AUDIT COMMITTEE

TERMS OF REFERENCE

CONTENTS

	Page
1. ESTABLISHMENT	3
2. REVISIONS	3
3. MEMBERSHIP	3
4. ATTENDANCE	3
5. FREQUENCY OF MEETINGS	4
6. AUTHORITY	4
7. REMIT	4
8. OPERATIONAL ARRANGEMENTS	6
9. DECLARATIONS OF INTEREST	7
List of Current Members – August 2025	8

1. ESTABLISHMENT

The Board of the South Eastern Health & Social Care Trust (hereinafter known as “the Trust”) has established a Committee to be known as **the Audit Committee** (“the Committee”).

The Committee is a Non-Executive Committee of the Board and has no executive powers other than those specifically delegated and detailed within these Terms of Reference for information purposes.

2. REVISIONS

Terms of Reference were last approved by the Audit Committee on 9 May 2024.

3. MEMBERSHIP

The composition of the Committee shall be determined by the Board and appointments made from amongst its Non-Executive membership as determined by the Chair of Trust Board. Membership currently comprises at least three Non-Executive Directors who are not also Members of the Remuneration Committee. A full list of Members as of the date of these Terms of Reference can be found at Page 8 hereto.

A quorum shall be two Members appointed to the Committee and present.

The Chair of the Committee shall be a Non-Executive Director appointed by the Chair of Trust Board and will hold office for a term specified on appointment or until such time as the Chair of Trust Board determines otherwise.

The Chair of the Committee will cease to act as Chair if they are longer a Non-Executive Director or they notify the Chair of Trust Board in writing that they no longer wish to continue.

If the Chair of the Committee is absent, a Non-Executive Director present may act as Chair for the duration of the meeting.

4. ATTENDANCE

The Director of Finance, Contracts & Estates together with appropriate Internal and External Audit representatives shall normally attend meetings. In addition, at least once a year, the Committee should meet privately with External and Internal Auditors.

Other Members of the Executive Management Team should be invited to attend when the Committee is discussing areas of internal control, risk or operation, following an unacceptable internal audit assurance rating that fall within their operational responsibility.

The Chief Executive should be invited to attend at least annually, to discuss with the Committee the process for assurance that supports the Governance Statement

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times each financial year. Members are requested to attend a minimum of three meetings annually. The External Auditor or Head of Internal Audit may request an additional meeting if they consider one is necessary.

6. AUTHORITY (including Escalation to Trust Board)

The Committee is authorised by the Board to undertake any activity stated within these Terms of Reference. The Committee is further authorised to secure the attendance of relevant external parties necessary in order to fulfil its remit. In addition, the Committee is authorised to seek any information it requires from any Trust employee and all employees are directed to co-operate with any request made by the Committee.

The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board or may require action by the Chief Executive and/or wider Executive Management Team. In addition, the Committee has authority to formally escalate any issues Members judge require notification and/or further consideration by the Board.

The Committee will report to Trust Board annually on its work in support of the Governance Statement. This should cover commentary on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of Risk Management in the organisation and the adequacy of the internal control arrangements in place.

7. REMIT

The remit of the Committee can be categorised as follows:

Internal Control

The Committee will:

- ◆ Oversee the establishment and maintenance of an effective system of internal control;
- ◆ Review the adequacy of all control related disclosure statements (in particular the Governance Statement) together with any accompanying Head of Internal Audit statement, External Audit opinion or other appropriate independent assurances prior to the Trust's Annual Report and Accounts being endorsed by the Board;
- ◆ Review the adequacy of the Trust's Standing Financial Instructions ensuring compliance with relevant regulatory and legal requirements;
- ◆ Review the adequacy of the finance policy for all work related to fraud and corruption as required by the Counter Fraud Policy Unit;

- ◆ Receive regular reports of incidents of Theft and Fraud;
- ◆ Review the outcome of National Fraud Initiative exercises and any control issues arising therefrom.

In carrying out its work, the Committee will primarily utilise the work of Internal Audit, External Audit and other relevant assurance functions but will not be limited to these functions.

Internal Audit

The Committee shall ensure that there is an effective internal audit function established by Management that meets the Public Sector Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:

- ◆ consideration of the provision of the Internal Audit service, the cost of the Audit service and any questions of resignation and dismissal;
- ◆ review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework;
- ◆ consideration of the Chief Internal Auditor's annual report, major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources;
- ◆ ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation;
- ◆ annual review of the effectiveness of Internal Audit.

External Audit

The Committee shall review the work and findings of the External Auditor appointed by the Northern Ireland Audit Office (NIAO) and consider the implications of, and Management's responses to, their work. This will be achieved by:

- ◆ consideration of the performance of the External Auditor;
- ◆ discussion and agreement with the External Auditor, before the Audit commences, of the nature and scope of the Audit as set out in the Annual Plan;
- ◆ discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust;

- ◆ review of all External Audit reports, including consideration of the Report to those Charged with Governance and any work carried out outside the annual Audit Plan, together with the appropriateness of management responses.

Other Assurance Functions

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

These will include, but will not be limited to, any reviews by the Department of Health (DoH) and their commissioning bodies.

Additionally, the Committee will work closely with the Trust's Governance Assurance Committee (GAC) whose scope of work will provide complementary assurances to the Audit Committee's own scope of work.

Financial Reporting

The Committee shall review the financial extract of the Trust's Annual Report and the Financial Statements before submission to Trust Board, DoH & NIAO, focussing particularly on:

- ◆ the wording in the Governance Statement and other disclosures relevant to the Terms of Reference of the Committee;
- ◆ unadjusted mis-statements in the Financial Statements;
- ◆ major judgemental areas;
- ◆ significant adjustments resulting from the External Audit;
- ◆ review of the Financial Commentary Report prepared by the Director of Finance, Contracts & Estates which explains the year's key financial figures, key differences from the previous year and any important in-year disclosure issues;
- ◆ the Statement of Losses.

Value For Money

The Committee shall oversee the adequacy of the Trust's arrangements to ensure Value for Money (VFM) is obtained in the deployment of all public funds entrusted to its care. This will include a review of relevant NIAO Audit Reports supplied.

8. OPERATIONAL ARRANGEMENTS

Administrative Support to the Committee

The Committee shall be supported administratively by the Board Secretary (or nominee) whose duties in this respect include:

- Preparation and issue of agenda on behalf of the Chair;
- Collation and distribution of papers sufficiently in advance of each meeting to facilitate their full consideration and discussion at the meeting;
- Ensuring appropriate arrangements for the servicing of the Committee including the taking of minutes and keeping a record of matters arising and issues to be carried forward;
- Advising the Committee on pertinent issues;
- Assist the Chair in ensuring the effective operation of the Committee;
- Arranging the attendance of appropriate staff at meetings;
- Ensuring the annual review of these Terms of Reference and the making of recommendations for updating;
- Development and maintenance of the Committee's Meeting Schedule.

Conduct of Meetings

All questions not agreed by consensus will be decided by a simple majority of the Committee. In the case of equal votes, the Chair of the Committee will have a casting vote. It is intended meetings will not last more than two hours.

Should an item of business need to be raised on the day of the meeting, this can be covered under Any Other Business subject to there being available time for discussion.

Agenda Items and Papers for Meetings

The Board Secretary (or nominee) will issue the agenda and associated papers for each meeting no later than five days prior to the date of the scheduled meeting. If separate papers require circulation, these should, wherever possible, be issued with the agenda. This is intended to enable Members to have the opportunity to read information in advance.

Minutes of Meetings

The minutes of the Committee shall be formally recorded by the Board Secretary (or nominee) and agreed with the Chair of the Committee prior to issue in advance the next meeting. Minutes will be circulated as soon as possible after the meeting listing topics discussed, actions agreed and individuals responsible for undertaking those actions. Once approved by the Committee at its subsequent meeting, the minutes will be submitted to Trust Board for noting.

9.0 DECLARATIONS OF INTEREST

The Chair of the Committee shall ask Members to declare any action or potential conflict of interest on any matter listed on the agenda for consideration at the outset of each meeting.

Where a conflict arises during the course of the meeting, any conflicted Member should declare their interest immediately and withdraw. It is the responsibility of individual Members to ensure they declare any interest in a timely manner.

All stated declarations of interest made during each meeting shall be formally recorded in the minutes.

List of Members of the Audit Committee – August 2025

<u>Non-Executive Directors</u>	
Chair of Committee	Ms Sheryl Henderson
	Mr Kieran Donaghy
	Mr Norman McKinley
	Mr Kevin McMahon
	Ms Anne Quirk

<u>In Attendance</u>	
Deputy Chief Executive, Director of Finance, Contracts & Estates	Ms Wendy Thompson
Assistant Director, Financial Services	Ms Lyn Campbell
Senior Financial Services Manager and Fraud Liaison Officer (FLO)	Mrs Kerryanne Hoy
Assistant Director, Risk Management & Governance/Board Secretary	Mrs Martine McNally
BSO Head of Internal Audit	Mrs Catherine McKeown
NIAO Engagement Manager	Ms Suzanne Murphy
External Auditors – Sumer NI	Mr Brian Clerkin Mrs Judith Shortall