

SCHEDULE 1

Audit Committee Standing Orders

Standing Order Review Schedule

Date first Approved by the Board: January 2005
 Last Approved by the Board: November 2021
 Date of Next Review: November 2022

Schedule Owner – Senior Governance, IT & Facilities Manager

Amendment Overview

Version	Date	Pages	Comments	Actioned
2005 – 1.0				
2012 - 2.0	9/12	14	Converted to new format. Frequency of meetings updated from 3 to 4.	Mark McCarey
2012 – 2.1	9/12	13	Updated to reflect discussion at Governance & Risk Committee. Added in section in relation to Powers & Responsibilities. Review of SIC added to TOR. Frequency of meetings changed from ‘four’ to ‘at least four’. Table amended to reflect changes. References to ‘Chairman’ changed to ‘Chair’ throughout. To be submitted to NIMDTA Board for approval	Mark McCarey
2012 – 2.1	27/09/2012	12	Approved by Board	
2012 – 2.2	10/06/2013	15	Updated to include ‘The Role of Agency’ and NIMDTA mission statement	Linda Craig
2014 – 3.0	27/11/14	7,8,9,10,11, 14	Presented to NIMDTA Board for approval. Approved subject to amendments reflect the Audit Committee’s additional responsibilities	Margot Roberts
2014 – 3.1	26/02/2015		Re-presented to NIMDTA Board for information. Re-approved subject to minor amendment.	
2014 – 3.2	26/02/2015	9	Amendment made to Point 5. Composition of Audit Committee	
2016 – 3.3	26/10/2015	12	Reviewed following the retirement of the Administrative Director for consideration by the Governance & Risk Committee	Mark McCarey
2016 – 3.4	23/10/16	11	Reviewed following G&R for Board approval. Approved	Mark McCarey
2018 – 4.0	11/01/18		Reviewed for consideration at G&R on 24/01/18. Approved subject to	Mark McCarey

			amendments to quorum wording and the addition of reference to Whistleblowing.	
			Presented to Board 25/01/18. Approved.	
2018 – 4.1	22/02/18		Amendments made as per G&R	Mark McCarey
2020 – 5.0			Reviewed for consideration at G&R on 30.01.20	
			Presented to NIMDTA Board 30.01.20	
2021 – 6.0			Reviewed for consideration at G&R on 23.09.21	
2021 – 6.1			Reviewed following input from Board Members, for review at Board on 25.11.21. Approved.	

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Role of the Northern Ireland Medical and Dental Training Agency

The Role of NIMDTA can be found on the Agency website here:
<https://www.nimdtg.gov.uk/about/background/role/>

1. Introduction

The Northern Ireland Medical and Dental Training Agency is required to establish an Audit Committee as a Committee of NIMDTA in accordance with “Government Accounting in Northern Ireland” paragraph 8.1.33 and the Cabinet Office’s “Guidance on Codes of Practice for Public Bodies” Appendix 2.

2. Role of Board, Audit Committee, Governance & Risk Committee and Remuneration Committee

The Board of NIMDTA is responsible for:

- setting the strategic direction
- the management of its activities in accordance with laws and regulations; and
- the establishment and maintenance of a system of internal control designed to give reasonable assurance that:
 - assets are safeguarded
 - waste and inefficiency are avoided
 - reliable financial information is produced
 - value for money is continuously sought

The Audit Committee supports the Board of NIMDTA in these functions by providing an independent and objective review of:

- financial systems;
- the financial information provided to the Board of NIMDTA;
- compliance with the law, guidance and Codes of Conduct and Accountability.

The Committee is required to give an assurance to the Board of NIMDTA on an annual basis as to the adequacy and effectiveness of the system of internal control operating in NIMDTA.

The Governance & Risk Committee supports the Board in fulfilling its statutory functions and in providing good corporate governance.

The Committee will provide oversight in relation to:

- the implementation and development of an embedded and proactive culture of risk management within NIMDTA;
- the identification of significant risks, and the processes in place for the effective monitoring of identified risks;
- the production, development and periodic review of a Corporate Risk Register;
- the production, development and periodic review of both an Education Risk Register, and Business Support Risk Register;
- the development of action plans to mitigate or eliminate identified risks;
- training needs of NIMDTA staff, that may arise from time to time, in relation to the impact of corporate governance in their areas of work;
- the management and investigation of complaints, incidents, and accidents;
- the arrangements in place for the processing, transferring, safe keeping, and disposal of information records within NIMDTA;
- the systems in place for the prevention and detection of fraud within NIMDTA;
- to seek continuous improvement in NIMDTA's governance structures and progression against audit recommendations;
- to ensure that the governance systems in place are cost effective, and represent value for money; and
- further governance issues that may be delegated from time to time.

The Remuneration Committee provides advice to the Board of NIMDTA about appropriate remuneration and terms of service for the Chief Executive and other employees within the Senior Management Committee.

The main functions of the Committee will be:

- To make decisions on behalf of the Board on the remuneration and terms of service of the Chief Executive and other employees within the Senior Management Committee to ensure that they are fairly rewarded for their contribution to the organisation (this should include having proper regard to the organisation's circumstances and performance and to the provision of any national agreements for such staff, where appropriate);
- To ensure that the Chief Executive and other employees within the Senior Management Committee total remuneration can be justified as reasonable in the light of general practices within the public sector in Northern Ireland;

- To advise on and oversee appropriate contractual arrangements for staff within NIMDTA. This is to include a proper calculation and scrutiny of termination payments, taking account of such national guidance as is appropriate;
- To agree and monitor an award strategy which reflects national agreements and policy;
- To monitor the application of the reward strategy to ensure adherence to equality legislation;
- To agree a performance management system;
- To establish annually, a framework for local pay negotiation, if required; and
- To monitor and evaluate the performance of the Chief Executive and other employees within the Senior Management Committee.

3. Terms of Reference

The Audit Committee is an advisory body with no executive powers.

The purpose of the Audit Committee is to advise the Chief Executive, as the Accounting Officer for NIMDTA and the Chair of the Board on issues relating to corporate governance, internal control and quality control, risk management and financial audit.

The Committee will undertake the following tasks:

- review the internal audit strategy and plan;
- review the Accounting Officer's draft Governance Statement and Mid-Year Assurance Statement;
- receive reports on internal audit assignments completed and management responses;
- review all risk and control related disclosure statements prior to endorsement by the Board;
- review the structures, processes and responsibilities for identifying and managing key risks facing NIMDTA;
- review NIMDTA policies and procedures for ensuring that there is compliance with relevant regulatory, legal and Code of Conduct requirements;

- review the effectiveness of NIMDTA policies and procedures and the impact they have upon NIMDTA from an audit perspective;
- review the Annual Report on internal audit prior to presentation to the Board of NIMDTA;
- prior to the external audit, discuss the audit plan with the external auditor including the reliance to be put on internal audit;
- discuss problems and reservations arising from the external audit and any matters the auditor may wish to raise (in the absence of senior management where necessary);
- review the external auditors' Report to those Charged with Governance and NIMDTA senior management's response;
- receive a report from Internal Audit on compliance with organisational risk standards;
- consider any report of the Public Accounts Committee or the Comptroller and Auditor General involving NIMDTA and review senior management's proposed response before presentation to the Board of NIMDTA; and
- bring to the Board's attention Value for Money (VFM) studies that have been completed elsewhere which might be relevant and review the work of the Board in this area.

The responsibility for internal control rests with the Senior Management Committee. The Board will periodically review its scope and effectiveness.

The Audit Committee will also:

- examine from an organisation-wide perspective, the impact of non-compliance with Standing Orders;
- be aware of all proposed losses for write-off and compensation payments and make recommendations to the Board of NIMDTA;
- approve accounting policies and subsequent changes to them;
- consider the Annual Accounts;
- monitor corporate governance through the implementation of the Codes of Conduct and Accountability thus offering assurance to the Board of probity in the conduct of business;
- provide advice on the systems of budgetary control and financial management and reporting where appropriate;

- provide advice regarding allegations of serious fraud, corruption or error; including any investigations which arise through whistleblowing;
- receive and consider periodic progress reports on the implementation of internal audit plans. To receive the Annual Report of internal audit regarding the effectiveness of Board's internal control systems established to ensure that the aims, objectives and key performance targets of NIMDTA are achieved in the most economic and effective manner;
- approve internal audit's terms of reference and ensure that the internal audit complies in all other respects with government guidelines and meets agreed levels of service, without prejudice to the Accounting Officer's direct responsibilities in respect of their requirements;
- consider and approve internal audit's annual audit plan and long-term strategic audit plan;
- complete the annual Audit Committee's self-assessment checklist and will produce the findings upon request by the Department; and
- prepare an Annual Report to the Board on the activity of the Audit Committee during the year

4. Powers and Responsibilities

The Board is ultimately responsible for all the decisions and actions taken in its name, whether directly or through its arrangements for delegation. The Board retains the right, therefore, to amend or overturn any decisions or actions of any Committee, Sub-Committee or working group which it deems to be contrary to Board policy or otherwise against the Board's interests.

5. Composition of Audit Committee

The Audit Committee will be chaired by a member of the Board, other than the Chair, who has relevant management experience and expertise. The Board will appoint the Chair of the Audit Committee, and such appointments will be confirmed in writing.

- The Chief Executive, in his/her role as Accounting Officer shall have rights of attendance at meetings of the Committee unless their attendance would be inappropriate given the nature of the business;
- The Committee will consist of at least three members of the Board, none of whom should be the Chair and will meet at least four times per year. Meetings may take place in person, or online.

- The quorum for meetings of the committee shall be two, based on there being two members of the Board. One of whom must be the Audit Chair, or a deputy he/she has appointed.
- At least one member of the Committee should have a financial background (As per Audit and Risk Assurance Committee Handbook (NI) March 2014).

6. Establishment of an Audit Committee

The Audit Committee is to be constituted as a Committee of the Board with the authority to act with independence. The terms of reference of the Committee are to be approved by the Board and such approval recorded in the Board minutes.

The Committee is appointed by the Board and is ultimately accountable and responsible to the Board. Audit Committee meetings should be conducted formally and minutes submitted to the Board at its next meeting.

Two non-executive directors will constitute a quorum for meetings. The Committee has the power to set up sub-committees as it deems necessary and having regard to budgetary constraints. Agendas and briefing papers should be prepared and circulated at least one week prior to the meeting to enable members to give them due consideration. The Committee is to be serviced by the Committee Support Executive Officer.

The Committee should consider the internal and external audit plans and review the annual reports of the auditors. There should exist an opportunity for the Committee to meet the external auditor once a year without the Chair of the Board of NIMDTA and senior management representatives being present.

If the Committee believes that there is evidence of an ultra vires transaction or the commitment of improper acts, the Chair of the Audit Committee should present the facts to a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health (Senior Officer in the first instance).

The internal audit provider, the Northern Ireland Audit Office and NIMDTA's Sponsor Branch shall be invited to attend Committee meetings.

The Committee may request other officers to attend meetings and provide information as appropriate.

7. Relationship with Internal Audit

The Audit Committee should seek to assure the Board that the systems of internal control are operating effectively, and draw attention to any new controls or measures introduced.

The Committee must evaluate the extent to which the internal audit service complies with the mandatory audit standards through:

- the external auditor's assessment of the internal auditor's work;
- seeking the opinion of the Senior Management Committee;
- ensuring that the internal audit service has an effective quality assurance programme;
- ensuring that there is adequate investment in internal audit; and
- checking that internal audit staff are appropriately skilled, experienced and qualified.

The Audit Committee will receive reports giving findings on internal control. These reports will form the basis of the Committee's conclusions and recommendations. The Chief Executive is responsible for the management of internal audit arrangements and for the professional conduct of the auditors. The Committee is to participate in the selection process when an internal audit service provider is changed. Internal Audit report to the Audit Committee.

The Department will assess the effectiveness of NIMDTA's internal audit arrangements by periodic peer reviews by its Internal Audit Service and by scrutiny of the plans and reports prepared by NIMDTA's internal auditor on future and past activity respectively. Upon approval of these plans and reports by NIMDTA Accounting Officer, they will be forwarded as soon as possible in each financial year to the Head of Internal Audit at the Department.

The Department reserves a right of access to carry out independent reviews of internal audit.

8. Relationship with External Audit

The Audit Committee is to use the certification of the accuracy, probity and legality of the annual accounts provided by the external auditor, combined with the more detailed internal audit review procedures, in discharging its responsibilities for ensuring sound financial systems and accurate accounts.

The NI Audit Office will audit NIMDTA's accounts. The NI Audit Office is to provide an independent view of any major activity within their remit and mechanism for reporting the outcome of value for money or regularity studies.

The NI Audit Office will have access to NIMDTA's records by virtue of the Audit (Northern Ireland) Order 1987 for the purpose of carrying out examinations into the economy, efficiency and effectiveness with which NIMDTA has used its resources in discharging its functions.

Audit Committee: Standing Orders Conduct of Business

1. Attendance

Only the members of the Committee and the Committee Support Executive Officer, who acts as Secretary to the Committee, are to attend meetings as a matter of course.

The Board Chair, other Board members and NIMDTA Officers may be invited to attend as required.

The internal and external auditors shall have rights of attendance at all meetings of the Audit Committee.

The Committee Support Executive Officer will be present at every meeting as secretary to the Committee. When substantive internal audit work has been commissioned and bought in by NIMDTA, the Committee is to receive the necessary reports from the principal of the organisation carrying out the work who is to be asked to attend the relevant meetings in order to do so.

2. Frequency of Meetings

Routine meetings are to be held at least quarterly with a specific remit as the core of each meeting, although appropriate matters could be considered at any meeting. Further meetings may be arranged at the discretion of the Chair of the Committee as necessary.

The following is the normal timetable together with the core content for each meeting.

Meeting	Quarter	Core Content
1	4	<ul style="list-style-type: none"> • Review internal audit strategy and plans. • Discuss external audit plan with appointed auditor. • Receive internal audit reports and management responses.
2	1	<ul style="list-style-type: none"> • Review Annual Report for internal audit. • Review all proposed losses for write-offs and compensation payments and make recommendations to the Board. • Approve accounting policies and subsequent changes to them. • Receive internal audit reports and management responses. • Receive auditor's report on annual accounts. • Approve annual accounts. • Private discussion with auditors.
3	2	<ul style="list-style-type: none"> • Meeting with auditor to consider mid-year assurance statement. • Review auditor's Report to those Charged with Governance and management response.
4	3	<ul style="list-style-type: none"> • Monitor management response to management letter and mid-year statement of internal control. • Review the organisation-wide impact of changes to Standing Orders and Standing Financial Instructions and issues of non-compliance. • Monitor the implementation of the Codes of Conduct and Accountability thus offering assurance to the Board of probity in the conduct of business.