Appendix A

NHS Bedfordshire, Luton and Milton Keynes Integrated Care Board

NHS Cambridgeshire & Peterborough Integrated Care Board

Audit and Risk Committee

Terms of Reference

1.0 Constitution

1.1 The Audit and Risk Committee (the Committee) is established by the Integrated Care Board (ICB) as a committee of the Board of the ICB (the Board) in accordance with its Constitution.

1.2 These Terms of Reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

1.3 The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

2.0 Authority

2.1 The Audit and Risk Committee is authorised by the Board to:

- Investigate any activity within its terms of reference.
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these Terms of Reference.
- Commission any reports it deems necessary to help fulfil its obligations.
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice.
- Create task and finish sub-groups to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and Terms of Reference of any such task and finish sub-groups in accordance with the ICB's Constitution, Standing Orders and Scheme of Reservation and Delegation, but may not delegate any decisions to such groups.

2.2 For the avoidance of doubt, the Committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.

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3.0 Purpose

3.1 To contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance, risk management and internal control processes within the ICB and within the wider Central East system, such that the Committee can provide assurance to the Board that its objectives are likely to be met and risks are effectively managed. The Committee will meet in two parts as follows:

3.1.1 Part 1: to deal with internal ICB audit and risk business.
Part 2: to deal with system risk business, taking an overview of all system risks and having a particular deep dive focus on local authority health economies at alternate meetings.

3.1.2 The membership of the Committee will be structured to reflect the Part 1 and Part 2 business.

3.2 The duties of the Committee will be driven by the organisation's objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however, this will be flexible to new and emerging priorities and risks.

3.3 The Committee has no executive powers, other than those delegated in the Scheme of Reservation and Delegation and specified in these Terms of Reference.

4.0 Membership and attendance

Membership

4.1 The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

4.2 The Board will appoint three members of the Committee who are Non-Executive Members of the Board and members of both the Part 1 and Part 2 meetings of the Committee:

4.3 Neither the Chair of the Board, nor employees of the ICB will be members of the Committee.

4.4 Members will possess between them knowledge, skills and experience in: accounting, risk management, internal, external audit; and technical or specialist issues pertinent to the ICB's business. When determining the membership of the Committee, active consideration will be made to equality and diversity.

Attendees

4.5 The Committee may also have regular attendees who will receive advanced copies of the notice, agenda, and papers for meetings. They may be invited to attend any or all the meetings, or part(s) of a meeting by the Chair. Any such person may be invited, at the discretion of the Chair, to ask questions and address the meeting but may not vote. Regular attendees will include the following.

- Executive Director of Finance, Resources & Contracts or their nominated deputy.
- Executive Director Corporate Services & ICB Development or their nominated deputy (also Senior Information Risk Owner).
- Caldicott Guardian.
- Accountable Emergency Officer.
- Individuals who lead on risk management and counter fraud matters.
- Representatives of both internal and external Audit.

4.6 The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of matters.

4.7 Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any matter.

4.8 The Chief Executive should be invited to attend the meeting at least annually when the Annual Report and Accounts are being considered.

4.9 The Chair of the ICB may also be invited to attend to gain an understanding of the Committee's operations.

4.10 At least once a year the committee should meet privately with the internal auditors, external auditors and LCFS either separately or together. Additional meetings may be scheduled to discuss specific issues if required.

Chair and Deputy Chair

4.11 In accordance with the Constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.

4.12 Committee members may appoint a Deputy Chair from amongst its members.

4.13 The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these Terms of Reference.

Attendance

4.14 Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

Access

4.15 Regardless of attendance, external audit, internal audit and local counter fraud will have full and unrestricted rights of access to the members of the Audit and Risk Committee.

5.0 Meeting Quoracy and Decisions

5.1 The Committee will meet at least four times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

5.2 To assist in the management of business over the year an annual workplan will be maintained, capturing the main items of business at each scheduled meeting.

5.3 The Board, Chair Chief Executive or external auditors or Head of Internal Audit may ask the Committee to convene further meetings to discuss issues on which they want the Committee's advice.

5.4 In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

Quorum

5.4 For a meeting to be quorate a minimum of two independent Non-Executive Members of the Board are required.

5.5 If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

5.6 If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

Decision making and voting

5.7 Decisions will be taken in according with the Standing Orders. The Committee will ordinarily reach decisions by consensus. When this is not possible the Chair may call a vote.

5.8 Only members of the Committee may vote. Each member is allowed one vote and a simple majority will be conclusive on any matter.

5.9 Where there is no clear majority, the Chair of the Committee will hold the casting vote.

5.10 If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis using telephone, email or other electronic communication.

6.0 Responsibilities of the Committee

6.1 The Committee's duties can be categorised as follows.

Integrated Governance, Risk Management and Internal Control

6.2 To review the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the Board.

6.3 To review the adequacy and effectiveness of all risk and control related disclosure statements (in particular the annual governance statement), together with any accompanying head of internal audit opinion, external audit opinion or other appropriate independent assurances, prior to submission to the Board,

6.4 To review the adequacy and effectiveness of the assurance processes that indicate the degree of achievement of the ICB's objectives and the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements

6. 5 To review the adequacy and effectiveness the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and any related reporting and self-certifications, including the NHS Code of Governance.

6.6 To review the adequacy and effectiveness the policies and procedures for all work related to counter fraud, bribery and corruption as required by the NHSCFA.

6.7 To ensure that financial systems and governance are established which facilitate compliance with Department of Health and Social Care's Group Accounting Manual.

6.8 To have oversight of system risks where they relate to the achievement of the ICB's objectives.

6.9 To ensure that the ICB acts consistently with the principles and guidance established in HM Treasury's 'Managing Public Money' guidance[1].

6.10 To seek reports and assurance from directors and managers as appropriate, concentrating on the systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

6.11 To identify opportunities to improve governance, risk management and internal control processes across the ICB.

[1] https://www.gov.uk/government/publications/managing-public-money

6.12 To review any failures to comply with the standing orders or temporary suspension of the standing orders.

Internal Audit

6.10 To ensure that there is an effective internal audit function that meets the ~~Public Sector Internal Audit Standards~~ Global Internal Audit Standards (public sector) and provides appropriate independent assurance to the Board. This will be achieved by:

- Considering the provision of the internal audit service and the associated remuneration fee following recommendation of 'market value' by the Chief Finance Officer.
- Reviewing and approving the annual Internal Audit Plan and more detailed programmes of work, ensuring that these are consistent with the audit needs of the organisation as identified in the Board Assurance Framework.
- Considering the major findings of internal audit work, including the Head of Internal Audit Opinion (and management's response), and ensure coordination between the internal and external auditors to optimise the use of audit resources.
- Ensuring that the internal audit function is adequately resourced by management, and has appropriate standing within the organisation; and
- Monitoring the effectiveness of internal audit and carrying out an annual review.

External Audit

6.11 To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- Deciding the appointment of the external auditors, as far as the rules governing the appointment permit, and considering their performance.
- Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan.
- Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee; and
- Reviewing all external audit reports, including to those charged with governance (before its submission to the Board) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.
- Agreeing the external auditor fee following recommendation of 'market value' by the Executive Director of Finance, Resources & Contracts.
- Ee nsuring that there is in place a clear policy for the engagement of external auditors to supply non-audit services.

Other assurance functions

6.12 To review the findings of assurance functions in the ICB, both internal and external to the organisation, where relevant to the governance, risk management and assurance of the organisation.

6.13 To review the work of other committees in the ICB, whose work can provide relevant assurance to the Audit and Risk Committee's own areas of responsibility. In particular, this will include any committees covering safety/ quality, for which assurance from clinical audit can be assessed, and risk management.

6.14 To review the assurance processes in place in relation to key financial controls across the ICB including the completeness and accuracy of information provided.

6.15 To review the findings of external bodies and consider the implications for governance of the ICB. These will include, but will not be limited to:

- Reviews and reports issued by arm's length bodies or regulators and inspectors: e.g. National Audit Office, Select Committees, NHS Resolution, CQC; and

- Reviews and reports issued by professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges and accreditation bodies).

Counter Fraud

6.16 To assure itself that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's Standards and reviewing the outcomes of work in these areas.

6.17 To review, approve and monitor counter fraud work plans, receiving regular updates on counter fraud activity, monitoring the implementation of action plans, providing direct access and liaison with those responsible for counter fraud, reviewing annual reports on counter fraud, and discussing NHS Counter Fraud Authority's quality assessment reports.

6.18 To ensure that the counter fraud service provides appropriate progress reports and that these are scrutinised and challenged where appropriate.

6.19 To be responsible for ensuring that the counter fraud service submits an Annual Report and Self-Review Assessment, outlining key work undertaken during each financial year to meet the NHS Standards for Commissioners: Fraud, Bribery and Corruption[2].

6.20 To report concerns of suspected fraud, bribery and corruption to the NHS Counter Fraud Authority.

Freedom To Speak Up

6.21 To review the adequacy and security of the ICB's arrangements for its employees, contractors and external parties to raise concerns, in confidence, in relation to financial, clinical management, or other matters.
The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

2 https://cfa.nhs.uk/resources/downloads/standards/NHS_Fraud_Standards_for_Commissioners_2020_v1.2.pdf

Information Governance

6.22 To receive regular updates on information governance compliance (including uptake and completion of data security training), data breaches and any related issues and risks.

6.23 To review the annual Senior Information Risk Owner (SIRO) report, the submission for the Data Security and Protection Toolkit and relevant reports and action plans.

6.24 To receive reports on audits to assess information and Information Technology security arrangements, including the annual Data Security and Protection Toolkit audit.

6.25 To provide assurance to the Board that there is an effective framework in place for the management of risks associated with information governance.

Financial reporting

6.26 To monitor the integrity of the financial statements of the ICB and any formal announcements relating to its financial performance.

6.27 To ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.

6.28 To review the annual report and financial statements (including accounting policies) before submission to the Board focusing particularly on:

- The wording in the Governance Statement and other disclosures relevant to the terms of reference of the Committee.
- Changes in, and compliance with, accounting policies, practices and estimation techniques.
- Unadjusted misstatements in the Financial Statements.
- Significant judgements and estimates made in preparing of the Financial Statements.
- Significant adjustments resulting from the audit.
- Letter of representation; and
- Qualitative aspects of financial reporting.
- Explanations for significant variances.

Emergency Preparedness, Resilience and Response (EPRR)

6.29 The Chair of the Audit and Risk Committee will be the nominated non-executive member for EPRR.

6.30 The Committee shall satisfy itself on behalf of the ICB that the appropriate governance and EPRR management processes are in place to enable the ICB to

discharge its category 1 responsibilities for the system[3]. The Accountable Emergency Officer will provide an annual assurance report to the Board on this matter.

Conflicts of Interest

6.31 The Chair of the Audit and Risk Committee will be the nominated Conflicts of Interest Guardian.

6.32 The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of conflicts, (including gifts and hospitality and bribery) are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to conflicts of interest.

Management of Risk

6.33 At each meeting, the Committee will review the Central East collaboration Strategic/ Corporate Risk Register to review the adequacy and effectiveness of the system of risk management across the whole of the ICS's activities that support the achievement of the four core purposes of the ICS to:

- Improve outcomes in population health and healthcare.
- Tackle inequalities in outcomes, experience and access.
- Enhance productivity and value for money.
- Help the NHS support broader social economic development.

6.34 The Committee will also review the risks to the delivery of the Integrated Care Partnership's 5-year population health management strategy and the ICB's 5-year strategic delivery plan and to highlight any areas of weakness to the Board and to the appropriate governance forums of Integrated Care System partners.

Management

6.35 To request and review reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

6.36 The Committee may also request specific reports from individual functions within the ICB as they may be appropriate to the overall arrangements.

6.37 To receive reports of breaches of policy and normal procedure or proceedings, including such as suspensions of the ICB's Standing Orders, in order provide assurance in relation to the appropriateness of decisions and to derive future learning.

Communication

6.38 To co-ordinate and manage communications on governance, risk management and internal control with stakeholders internally and externally.

3 https://www.england.nhs.uk/wp-content/uploads/2022/07/B0900_emergency-preparedness-resilience-and-response-framework.pdf

6.39 To develop an approach with other committees, including the Integrated Care Partnership, to ensure the relationship between them is understood.

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7.0 Behaviours and Conduct

ICB Values

7.1 Members will be expected to conduct business in line with the ICB values and objectives, and the principles set out by the ICB.

7.2 Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and the Conflict of Interest Management and Standards of Business Conduct Policy.

Equality and Diversity

7.3 Members must consider the equality and diversity implications of decisions they make.

8.0 Accountability and reporting

8.1 The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities. It shall provide reports to partners on its Part 2 business in relation to system risk management, as required.

8.2 The minutes of the meetings shall be formally recorded by the secretary in accordance with the Standing Orders.

8.3 The Chair will provide assurance reports to the Board at each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

8.4 The Chair of the Committee will provide the Board with an independent annual report, timed to support finalisation of the accounts and the Governance Statement. The report will summarise its conclusions from the work it has done during the year specifically commenting on:

- The fitness for purpose of the Board Assurance Framework.
- The completeness and 'embeddedness' of risk management in the organisation.
- The appropriateness of the evidence that shows the organisation is fulfilling its regulatory requirements.
- The effectiveness of the management of system risks.

8.4.1 This annual report should also describe how the committee has fulfilled its terms of reference and give details of any significant issues that the committee considered in relation to the financial statements and how they were addressed.

8.4.2 An annual committee effectiveness evaluation will be undertaken and reported to the committee and the board.

9.0 Secretariat and Administration

9.1 The Committee shall be supported with a secretariat function which will include ensuring that:

- The agenda and papers are prepared and distributed at least five working days before each meeting in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant Executive lead.
- Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not attend at least 75% of meetings.
- Records of members' appointments and renewal dates are reviewed and the Board is prompted to renew membership and identify new members where necessary.
- Good quality minutes are taken in accordance with the Standing Orders and agreed with the Chair and that a record of matters arising, action points and issues to be carried forward are kept.
- Aarranging meetings for the chair: for example, with the internal/ external auditors or local counter fraud specialists.
- The Chair is supported to prepare and deliver reports to the Board.
- The Committee is updated on pertinent issues / areas of interest / policy developments.
- Action points are taken forward between meetings and progress against those actions is proactively monitored.
- Ensuring that committee members receive the development and training they need.

10.0 Review

10.1 The Committee will review its effectiveness at least annually.

10.2 These Terms of Reference will be reviewed at least every two years and more frequently if required. Any proposed amendments to the Terms of Reference will be submitted to the Board for approval.

Date reviewed by Committee:	~~To be confirmed~~ 7 November 2025
Date of Approval by Board:	17 October 2025
Review Date:	To be confirmed