

Terms of Reference – Audit Committee

June 2025

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| Initiated by | Becky Southall, Chief Governance Officer June 2025 |
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| Linked Policy Documents | Standing Orders Reservation of Powers of Delegation Other Committee Terms of Reference Standing Financial Instructions Code of Governance for NHS Provider Boards NHS England guidance on audit and assurance |
| Dissemination requirement | Cascade to Board members and Senior Leaders and forms part of Board level induction pack |
| Part of the Trust's publication scheme | Yes – the terms of reference will be published on the trust's website following approval |

Audit Committee Terms of Reference 2024 – 25

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| 1.0 | Constitution |
| 1.1 | South Central Ambulance NHS Foundation Trust Board of Directors (“the board”) hereby resolves to establish a Committee of the Trust Board to be known as the Audit Committee (“the Committee”). |
| 1.2 | <p>It is a legal requirement for every NHS Board to establish an Audit Committee to provide objective and independent scrutiny of the Trust’s system of risk management and internal controls.</p> <p>The Board has therefore established the committee as a formally constituted and standing committee of the Board. The Committee is a Non-Executive Committee of the Board and does not have any executive powers, other than those specifically delegated in these terms of reference.</p> |
| 1.3 | The functioning of the Audit Committee will take into account the requirements of the NHS Code of Governance for Provider Trusts, the Trust’s constitution, the NHS Audit Committee Handbook and NHS England guidance on audit and assurance. |
| 1.4 | Its constitution and terms of reference shall be as set out below. Any amendments will be subject to Board approval |
| 2.0 | Purpose |
| 2.1 | The purpose of the Committee is to provide the Board with assurance that the organisation operates effectively and has a system of internal control that enables it to meet its regulatory and statutory duties and achieve its strategic aims and objectives. |
| 2.2 | <p>The responsibilities of the Committee are as follows:</p> <ul style="list-style-type: none"> i. Ensure that management of the Trust’s activities are in accordance with all statutory, legislative and regulatory requirements ii. Ensure the establishment and maintenance of a sound system of internal control and risk management that provides assurance that assets are safeguarded, waste or inefficiency is avoided, reliable financial information is produced, and that value for money is continuously sought. iii. Provide assurance of the independence of the trust’s external and internal audit services iv. Scrutinise the findings of completed audit reports and oversee the delivery of remedial actions. v. Ensure that appropriate standards are set and compliance with them is monitored, in non-financial, non-clinical areas that fall within the remit of the Committee. vi. Maintain oversight of the Board Assurance Framework (BAF) and ensure that the risks to delivery of the objectives are monitored and aligned to the annual internal audit programme vii. Ensure that the Trust’s systems of governance and risk management are effective and adhered to (e.g. compliance with key governing frameworks such as the NHS Code of Governance for Provider Trusts, NHS England guidance on |

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| | audit and assurance Standing Orders, Standing Financial Instructions, maintenance of Registers of Interests. |
| 3.0 | Authority |
| 3.1 | <p>The Committee is authorised by the Board to:</p> <ul style="list-style-type: none"> • Act within or 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. • 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 or expedient to the carrying out of its functions. Any costs incurred must be within the remit of the Scheme of Delegation and Standing Financial Instructions. • Obtain such internal information as is necessary and expedient to the fulfilment of its functions. • Liaise, as necessary, with other Committees of the Board; Chairs of other the Committees have a responsibility for ensuring that the Audit Committee and the Board are advised of any risks, concerns or transgressions |
| 3.2 | The Committee may establish, subject to Board approval, sub-groups to execute the delegated powers within these terms of reference. |
| 3.3 | Trust Standing Orders and Standing Financial Instructions apply to the operation of the Committee. |
| 3.4 | The Audit Committee will have oversight of the Trust's strategy, systems and processes for the management of risk to ensure that this is effective and that risks are being effectively mitigated. |
| 4.0 | Duties and Responsibilities |
| 4.1 | Governance, Risk Management and Internal Control |
| 4.1.1 | <p>The Committee shall review the establishment and maintenance of an effective system of governance, risk management and internal control, across the whole of the trust's activities (both clinical and non-clinical) that support the achievement of the organisation's objectives.</p> <p>In particular, the Committee will review the monitor and scrutinise the following:</p> <ul style="list-style-type: none"> i. All risk and control related disclosure statements, in particular the Annual Governance Statement and declarations of compliance with the Care Quality Commission Essential Standards, together with any accompanying Head of Internal Audit Assurance statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board. ii. The underlying assurance processes (BAF and risk register) that indicate the degree of achievement of the trust's strategic objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements. iii. Policies for ensuring compliance with relevant regulatory, legal |

and regulatory requirements including the NHS Provider License, NHS Code of Governance for Provider Boards and NHS England NHS England Guidance on Audit and Assurance Standards

- iv. The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by NHS Counter Fraud and Security Management Service.
- v. Compliance with Trust Standing Orders and Standing Financial Instructions.
- vi. The internal controls in place in any subsidiary company of the trust (e.g. South Central Fleet Services Limited)
- vii. The governance arrangements and internal controls in place in relation to the trust's Charity.
- viii. The risk management framework to ensure that Trust policies, systems and processes are effective in the management of all risks within the Trust and escalating risk management issues appropriately.
- ix. The resource implications for risk control and advising the Board accordingly.
- x. The work of the Executive Team with regard to finance, governance and mandatory services which form the core of the Trust's business and with regard to the identification, analysis and mitigation of risk, providing independent assurance on both of these areas to the Board.
- xi. The effectiveness of the arrangements by which Trust staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and control and related matters or any other matters of concern via the Freedom to Speak Up and other related processes.
- xii. The accuracy of the data behind the reports received by the Committee and Board to gain assurance of robustness and quality.
- xiii. The robustness of the trust's digital and data management infrastructure

In carrying out this work the Committee will primarily utilise the independent work of Internal Audit, External Audit and other assurance functions, but will not be limited to these. It will also seek reports and assurances from other Board committees, executive directors and managers 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 BAF to guide its work and that of the audit and assurance functions that report to it, as well as the Risk Register.

The Committee shall review every decision of the Board to suspend any one or more of the Trust's Standing Orders.

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| 4.2 | Internal Audit |
| 4.2.1 | <p>The Committee shall ensure that there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Committee, Chief Executive and the Board. This will be achieved by:</p> <ul style="list-style-type: none"> i. Consideration of the provision of the Internal Audit service, the cost of the audit and any questions of resignation and dismissal (including involvement in the selection process when/if a provider is changed). ii. Monitoring the performance of the internal audit function via agreed KPIs iii. Reviewing and approve the Internal Audit strategy, operational plan, reporting system, and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation. This includes any changes to the plan made in year. iv. Consideration of the major findings of internal audit work (and management's response), and their implications and monitor progress on the implementation of recommendations. v. Ensuring, on an on-going basis, the effective operation of internal audit in respect of: <ul style="list-style-type: none"> a) Its co-ordination with external audit. b) Meeting mandatory NHS Internal Audit Standards. c) Providing adequate independent assurances. d) Having appropriate standing within the Trust. e) Ensuring the management actions are executed to the required deadlines. f) Meeting the internal audit needs of the Trust. g) Receiving and considering the annual internal audit report and Head of Internal Audit Assurance statement. h) Ensuring that the Internal Audit function is suitably qualified, adequately resourced and has appropriate standing within the organisation. i) An annual review of the effectiveness of internal audit. |
| 4.3 | External Audit |
| 4.3.1 | <p>The Committee shall review the work and findings of the External Auditor appointed by the Trust and consider the implications and management's responses to its work. This will be achieved by:</p> <ul style="list-style-type: none"> i. Consideration of the appointment and performance of the External Auditor, as far as the rules governing the appointment permit. ii. Discussion and agreement with the External Auditor, before the audit commences around the nature and scope of the audit as set out in the Annual Plan and ensure coordination as appropriate with other External Auditors in the local health economy. iii. Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee. |

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| | <ul style="list-style-type: none"> iv. Review all external audit reports, including the report to those charged with governance, agreement of the Annual Audit Letter before submission to the Board and any work undertaken outside the annual audit plan together with the appropriateness of management response and monitor progress on the implementation of recommendations. v. Develop and implement a policy on the engagement of the external auditor to supply non-audit services. <p>Appointment of the External Auditor is a statutory duty of the Council of Governors. The Audit Committee will work with the Council of Governors to establish the criteria for appointing, re-appointing and removing external auditors.</p> |
| 4.4 | Financial Reporting |
| | <p>The Committee shall review the Annual Report and Accounts (ARA) before submission to the Board to determine their completeness, objectivity, integrity and accuracy. This review will cover but is not limited to:</p> <ul style="list-style-type: none"> i. The wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee. ii. Changes in, and compliance with accounting policies, practices and estimation techniques. iii. Unadjusted misstatements in the financial statements. iv. Significant judgements in preparation of the accounts. v. Significant adjustments resulting from the audit. vi. Letter of Representation. vii. Qualitative aspects of financial reporting. viii. The schedule of losses and special payments. ix. Any reservations and disagreements between the External Auditors and management which have not been satisfactorily resolved. x. Schedules of debtor/creditor balances where material sums are involved, or balances are more than six months old. xi. Major judgemental areas (including waiver of competitive tendering). |
| 4.4.1 | Annually review the accounting policies of the Trust and make appropriate recommendations to the Board. |
| 4.4.2 | Ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board. |
| 4.5 | Counter Fraud |
| 4.5.1 | Ensure the appointment of the Local Counter Fraud Service (LCFS) provider. Ensure that the provider is adequately qualified, resourced and has appropriate standing within the Trust. |
| 4.5.2 | <p>The Committee will receive an update of Counter Fraud activity at each meeting and receive assurances on effectiveness of the service. The Committee will approve the Annual Work Plan at the start of the year and will also receive an Annual Report of activity.</p> <p>The LCFS will attend alternate meetings and provide a progress report. The Chief Finance Officer will give a verbal update at meetings where the LCFS is not in attendance.</p> |

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| 4.5.3 | <p>Monitor the performance of both reactive and proactive fraud work in line with the terms of the Standard NHS Contract and in accordance with the NHS Counter Fraud Authority (NHSCFA) Standards for Providers: Fraud, Bribery and Corruption, to ensure that appropriate counter fraud measures are in place.</p> <p>Review the reports from the LCFS, consider the major findings of fraud investigations, and management's response, and ensure co-ordination between the LCFS, internal and external auditors.</p> |
| 4.5.4 | <p>Consider the annual report of the NHS Counter Fraud Authority. Consider and take appropriate action regarding any NHSCFA quality assurance recommendations arising from the assessment process.</p> |
| 4.6 | <p>Other Assurance Functions</p> |
| 4.6.1 | <p>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.</p> <p>These will include, but will not be limited to, any reviews by relevant NHS bodies or Regulators/Inspectors (e.g. NHS England, Care Quality Commission, NHS Resolution etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.).</p> |
| 4.6.2 | <p>The Committee will review items referred to it and the work of other Committees within the organisation and whose work can provide relevant assurance to the Audit Committee's own scope of work. In particular, the Audit Committee will rely on the assurance provided by other Committees in respect of specific risks in the BAF designated to them.</p> |
| 4.6.3 | <p>In reviewing the work of the Quality and Safety Committee, and issues around clinical risk management, the Audit Committee will seek to satisfy itself on the assurance that can be gained from the clinical audit function. In particular, the Audit Committee will seek assurance that there is an effective and robust clinical framework and arrangements in place.</p> |
| 4.6.4 | <p>The Committee will review issues around the management of charitable funds and will seek to satisfy itself on the assurance that can be gained from the Charitable Funds Annual Report and Financial Statements before submission to the Board.</p> |
| 4.6.5 | <p>The Committee will:</p> <ul style="list-style-type: none"> i. Examine any other matter referred to it by the Board and initiate investigation as determined by the Committee. ii. On behalf of the Board seek assurance on the appointment of outside contractors for financial services e.g. Internal Audit, Banking, Payroll Services, and procurement compliance matters e.g. Single Tender Waivers. etc |
| 4.6 | <p>Management</p> |
| 4.6.1 | <p>The Committee shall request and review reports and assurances from relevant Directors and Managers on the overall arrangements for governance, policy management, risk management and internal control, including regular updates on the BAF and risk register.</p> |

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| | The Committee may also request specific reports from individual functions within the organisation (e.g. clinical audit), as they may be appropriate to the overall arrangements. |
| 4.7 | Standing Orders, Standing Financial Instructions, Governance Assurance and Accountability Framework and Standards of Business Conduct |
| 4.7.1 | Review all suspensions of Standing Orders and variation or amendment to Standing Orders. |
| 4.7.2 | Review, on behalf of the Board, the operation of, and proposed changes to, the Standing Orders and Standing Financial Instructions, Codes of Conduct and Standards of Business Conduct; including maintenance of Registers of interests, gifts, hospitality and sponsorship. |
| 4.7.3 | Examine the circumstances of any significant departure from the requirements of any of the foregoing, whether those departures relate to a failing, an overruling or a suspension. |
| 4.7.4 | Review the Scheme of Reservation and Delegation of Powers |
| 4.8 | Digital/Cyber Agenda and Information Governance |
| 4.8.1 | Ensure an effective IG management framework and policies are in place to ensure compliance with the requirements of NHS Data Security and Protection Toolkit. |
| 4.9 | Freedom to Speak Up |
| 4.9.1 | <p>The Audit Committee will review the arrangements by which staff and volunteers of the Trust may raise, in confidence, concerns about possible improprieties in matters relating to:</p> <ul style="list-style-type: none"> ▪ Financial reporting and control ▪ Clinical quality ▪ Patient safety ▪ Staff experience ▪ Other matters <p>The Committee will ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow up action.</p> |
| 4.10 | Other Matters |
| 4.10.1 | <p>On an annual basis, the Committee will review its own effectiveness by reference to the NHS Audit Committee Handbook (latest version – 2018) and the Code of Governance for NHS Provider Trusts.</p> <p>These terms of reference should be reviewed annually and will be made publicly available in accordance with the NHS Foundation Trust Code of Governance.</p> |
| 5.0 | Membership and Quoracy |
| 5.1 | The Committee membership shall be appointed by the Board from amongst the Non-Executive Directors and shall consist of not less than three designated members. Each member shall meet the criteria for independence as set out in the Code of Governance for NHS Provider Boards and the Board will satisfy itself that the membership has sufficient skills to discharge its responsibilities effectively, including |

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| | ensuring that at least one member of the Audit Committee has recent and relevant financial experience. |
| 5.2 | Of the 3 Non-Executive Director members, one will be a member of the Trust's Quality and Safety Committee and one a member of the Finance & Performance Committee, in order to reinforce the relationship between the committees in respect of seeking assurance over the management of risk and other relevant control issues. |
| 5.3 | Members are required to attend at least two thirds of the meetings held in each financial year. Where a member is unable to attend a meeting, they should notify the Committee Chair or Secretary of the Committee in advance. |
| 5.4 | In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting. |
| 5.5 | The Chair of the Board shall not be a member of the Committee. |
| 5.6 | The Committee will be deemed quorate to the extent that two of its members are present. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of its authorities and powers. |
| 5.7 | Any member of the Committee may participate by means of telephone conferencing, video conferencing or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting. |
| 6.0 | Attendance at Meetings |
| 6.1 | <p>In addition to the membership the following will attend each meeting:</p> <ul style="list-style-type: none"> ▪ Chief Finance Officer ▪ Chief Governance Officer ▪ External Audit Provider lead ▪ Internal Audit Provider lead ▪ Counter Fraud provider lead (every other meeting) <p>Those who may also attend with the committee chair's agreement:</p> <ul style="list-style-type: none"> ▪ Any Executive or Non-Executive Director ▪ Trust Chair (at least once a year) ▪ A Governor, or Governors, may also attend and observe a meeting of the Committee, by invitation and with the prior agreement of the Committee Chair, for the purposes of further developing their understanding of SCAS and the NED role. ▪ For clarity, those in attendance are not members of the Committee for the purposes of quorum or decision-making however are expected and welcome to play a full and active part in Committee discussions and considerations. ▪ The Committee may invite other colleagues to be in attendance or attend as appropriate for timed business to provide assurance on key issues. ▪ The Chair of the committee can require the attendance of any director or member of staff. |

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| 6.2 | When one of those required to attend (6.1) is unable to do so, they should ensure that a fully briefed and duly authorised deputy attends on their behalf. |
| 6.3 | Other Board Members, Executive Directors, officers and relevant representatives shall have the right of attendance (for all or part of the meeting), subject to invitation by the Committee Chair, particularly when the Committee is discussing areas of risk or operations that are the responsibility of that individual. |
| 7.0 | Meetings |
| 7.1 | Meetings of the Committee shall be formal, minuted, and compliant with relevant statutory and good practice guidance. |
| 7.2 | Ordinary meetings of the Audit Committee shall be held not less than four times a year. Additional meetings may be held; for example, for the purposes of reviewing the draft and audited annual financial accounts. The External Auditor or Head of Internal Audit may request a further meeting if considered necessary. |
| 7.3 | Additional meetings may be convened on an exceptional basis at the request of the Committee Chair to consider business that requires urgent attention. |
| 8.0 | Reporting and Accountability |
| 8.1 | Minutes of the Committee meetings shall be recorded formally and ratified by the Committee at its next meeting. The meeting may be formally recorded to aid in the production of written minutes and the recording deleted in line with Trust guidance. |
| 8.2 | The Committee Chair shall prepare an assurance report (upward report) following each meeting for submission to the Board at its next formal business meeting. |
| 8.3 | <p>This report should include details of any matters in respect of which adequate actions or improvements are needed. The Committee Chair shall draw to the attention of the Board any issues that require disclosure to the full Board or require executive action.</p> <p>The following triggers outline the framework to be used for escalating an item from the Committee to the Board:</p> <ul style="list-style-type: none"> i) Risks scoring 15 or higher on the Risk Register that have inadequate mitigating actions in place, or with actions overdue and no robust plans in place to resolve them. ii) Internal controls that are inadequate and which require strengthening. iii) Any qualified opinion from the External Auditors. iv) Outstanding actions and Limited Assurance arising from any Internal Audit exercise v) Losses that will have a significant impact upon the Trust. vi) Deviation from the requirements of the Data Protection & Security Toolkit vii) Performance of out-of-date policies. viii) Fraud and Anti-Bribery issues. |

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| 8.4 | The Committee shall be directly accountable to the Board. |
| 8.5 | The Committee will provide an annual report to the Board setting out how it has discharged its responsibilities as set out in these terms of reference. This will include identified committee improvement objectives for the forthcoming financial year. |
| 8.6 | Meeting papers will be circulated to members 1 week (5 working days) prior to the meeting. |
| 9.0 | Secretary and Committee Support |
| 9.1 | A member of the Governance Team will act as Secretary to the Committee. The Chief Governance Officer shall provide independent advice to the Committee Chair and Committee Members on compliance with the law and regulatory matters relevant to the Committee's delegated authority in accordance with Standing Orders. |
| 9.2 | The Secretary to the Committee will maintain the Committee's administrative function, to include: i) preparation of the draft agenda for agreement with the Committee Chair, ii) collation and circulation of papers, iii) minuting the proceedings and resolutions of all meetings of the Committee including recording the names of those present and in attendance, iv) keeping a record of matters arising and actions to be carried forward, v) drafting minutes of the meetings to be available within 5 working days but no longer than 10 working days from the date of the meeting, vi) creating and maintaining a Forward Plan of business to come before the Committee. |
| 10.0 | Review, Monitoring and Effectiveness |
| 10.1 | Members of the Committee will monitor the effectiveness of these terms of reference by: i) Recording the attendance of members. ii) Number and frequency of meetings iii) Annual member survey iv) Preparing an Annual Committee report for submission to the Board |
| 10.2 | The Trust's Annual Report shall include a section describing the work of the Audit Committee in discharging its responsibilities. |
| | The Chair of the Committee will produce an Annual Report to the Board on the work of the Committee in its fulfilment of its functions in connection with these terms of reference. The report will support the production of the Annual Governance Statement, specifically commenting on the fitness for purpose of the BAF, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and the appropriateness of the self-assessment against the Care Quality Commission Essential Standards and any pertinent matters in respect of which the Audit Committee has been engaged. |

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| 10.3 | The Committee will review its own performance, based on a self-assessment at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. |
| 10.4 | The Chair of the Board will receive a copy of all meeting papers. |
| 10.5 | Set an annual Forward plan for its work to form part of the Board's annual Forward Plan and report to the Board on its progress. |
| 10.6 | Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS England, via the Director of Finance in the first instance. |
| 10.7 | The Audit Committee will report to the Council of Governors (CoG) by exception, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. The CoG will also have the opportunity to hear from External Audit (i.e. annually) as part of their formal statutory duty of appointing/reappointing the Trust's External Auditors. |