



Council
17 May 2023
Audit Committee Terms of Reference review

Classification	Public
Purpose	For decision
Issue	To agree minor amendments to the Audit Committee Terms of Reference
Recommendations	To agree the amended Audit Committee Terms of Reference.
Financial and resourcing implications	None arising from this paper.
Equality and diversity implications	A new term of reference which addresses equality, diversity and inclusion has been added to the Audit Committee Terms of Reference.
Communications implications	The Governance Handbook on the GOsC website will be updated.
Annex	None.
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Key messages from this paper:

- It is good practice for a committee to review its terms of reference on a regular basis.
- Following a review of the Committee's own performance a suggestion was made to consider the terms of reference. Audit Committee did this at the March 2023 meeting.
- Some minor amendments were identified which provide greater clarity over external and internal audit functions and, in relation to internal audits commissioned, to ensure the actions identified were implemented.
- Additionally, a term of reference covering the importance of equality, diversity and inclusion was requested.
- The terms of reference have also been updated to reflect the co-option of a member of Council to the Committee effective from 1 April 2023.

Background

1. The Audit Committee has a set of Terms of Reference and these are outlined in the General Osteopathic Council (GOsC) Governance Handbook. It is good practice for committees to review their terms of reference on a regular basis.
2. Following a review of the effectiveness of the committee, it was suggested that a review of the terms of reference should happen. It was felt that once the new chair of the committee had been in post for a few meetings the time for such a review would be right.
3. The Terms of Reference were reviewed by Audit Committee in March 2023.

Discussion

Audit Committee terms of reference

4. The current terms of reference for the Audit Committee are set out below with the minor additions included in red text:

Terms of reference

The role of the Audit Committee is to provide advice that the necessary internal and external systems and processes are in place for identifying, managing and mitigating the risks relating to the discharge of the GOsC's statutory duties, and make recommendations for any actions to Council and the Executive as appropriate. To do this it will:

- a. Review and make recommendations to Council about the content and structure of the risk register at the start of each business planning cycle and keep it under review.
- b. Review and make recommendations to Council about the effectiveness and proportionality of the risk management process.
- c. Request and receive reports on the management of risk areas identified in the register and make recommendations to Council about improvements needed.
- d. Review the internal financial controls and advise Council on these controls.
- e. Make a recommendation to Council on the appointment of **external** financial auditors to conduct the annual financial audit.
- f. Receive a report on preparations for the annual **external** financial audit.
- g. Receive the audit report, Audits Findings Report (AFR), draft Annual Report and Accounts, and Governance Statement and make recommendations to Council on the approval of these, and monitor the implementation of agreed recommendations in the AFR.
- h. Approve proposals for the commissioning of **internal** audits of key functions within the organisation and to recommend any areas where special investigation might be necessary.
- i. Receive audit reports and the Executive's response and make recommendations to Council on the implementation of recommendations arising from such audits and investigations, **and monitor the implementation of agreed recommendations.**
- j. Receive reports on any incidents reportable under the serious events framework, data breaches and corporate complaints or whistleblowing, and the Executive's response to them, and make any recommendations to the Executive and Council.
- k. Receive reports on the Executive's approach to organisational performance management and corporate governance and make any recommendations.
- l. **Ensure that reports received across all aspects of the Committee's work consider the importance of equality, diversity and inclusion.**
- m. Make an annual report to Council on the work of the Committee and an overall opinion on the management of risk within the GOsC.
- n. To review periodically its own effectiveness as a Committee.

Meeting Frequency

Four times yearly or more frequently if required. Some business may be appropriately conducted out of committee. Any such activity will be reported formally to the next meeting of the committee with a record made in the minutes.

Membership

Four members:

- Two Council members (one of whom is the Chair), of whom one must be an osteopath and the other a lay member.
- Two external members.

There is one co-opted member of Council effective from 1 April 2023.

~~There are no co-opted members.~~

Council Associates

Council Associates may attend meetings of the Audit Committee and may participate in business at the discretion of the Committee Chair. Council Associates are not permitted to vote on any recommendations or decisions to be made by members of the Audit Committee.

Quorum

Three members – the Chair of the Committee (who is a Council Member) (or appointed deputy if unavailable), one Council member **(which may be the co-opted member)** and at least one external member.

5. Council are asked to consider the minor amendments and, if content, approve these for the Audit Committee. If agreed, the Governance Handbook will be amended.

Recommendations

1. To agree the amended Audit Committee Terms of Reference.