

ESSEX PROBATION (THE 'TRUST')

AUDIT COMMITTEE TERMS OF REFERENCE

1. Purpose

The Board has established an Audit Committee as a Committee of the Board to support them in their responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accountable Officer's assurance needs and reviewing the reliability and integrity of these assurances.

2. Membership

The members of the Audit Committee are as follows:

Non-executive Board members:

Richard Moore
Martin Bates
Jo Durning
Terry Collin
Rob Everitt
Peter Wilcock

The Audit Committee will be chaired by Richard Moore or in his absence a nominated non-executive member. The Audit Committee Chair is appointed by the Board.

The Chief Executive in his or her role as Accountable Officer, the Treasurer and the Head of Internal Audit will normally attend meetings of the Committee.

The Audit Committee will be provided with a secretariat function by the Treasurer and Board Secretary.

Membership of the Audit Committee and the office of Chair will be reviewed every 2 years by the Board and participation rotated among Board members, subject to suitable qualification and experience.

3. Reporting

The Audit Committee will formally report to the Board and Accountable Officer after each meeting. The minutes of the meeting will be presented by the Chair of the Committee, or in his absence a nominated non-executive member.

The Audit Committee will provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the accounts and the Statement of Internal Control, summarising its conclusions from the work it has done during the year.

4. Responsibilities

The Audit Committee will advise the Board and Accountable Officer on:

- The strategic processes for risk, control and governance and the Statement of Internal Control
- The accounting policies, the accounts and the annual report of the Trust, including the process for review of the accounts prior to submission for audit, levels of error identified, and managements letter of representation to the external auditors
- The planned activity and results of both internal and external audit
- Adequacy of management response to issues identified by audit activity, including external audits management letter
- Assurances relating to the corporate governance requirements for the Trust
- Anti-fraud policies, whistle-blowing processes and arrangements for special investigations
- to consider any other matters where requested to do so by the Board;
- The Audit Committee will also annually review its own effectiveness and report the results of that review to the Board

5. Authority

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

The Audit Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience, with the approval of the Board
- Procure specialist ad-hoc advice at the expense of the Trust, subject to budgets agreed by the Board

6. Access

The Head of internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee

7. Meetings

The Audit Committee will meet at least four times a year. The Chair of the Audit Committee may convene additional meetings, as they deem necessary

A minimum of three non-executive members of the Audit Committee will be present for the meeting to be deemed quorate

Audit Committee meetings will normally be attended by the Accountable Officer, the Treasurer, the Head or representative of Internal Audit and as appropriate a representative of External Audit

Board members who are not members of the Audit Committee have the right of attendance.

The Audit Committee may require any other officials of the Trust to attend or provide a written report to assist it with its discussions on any particular matter.

Requests for work, and reports received will be channeled through the Accountable Officer.

The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters

The Board or the Accountable Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committees advice

8. Information Requirements

For each meeting the Audit Committee will be provided with:

- A report summarising any significant changes to the Trust's Risk Register
- A progress report from the Head of Internal Audit summarising:
 - Work performed (and a comparison with work planned)
 - Key issues emerging from Internal Audit work
 - Management response to audit recommendations
 - Changes to the Annual Plan
 - Any resourcing issues affecting the delivery of Internal Audit objectives
- A progress report from the External Audit representative summarising work done and emerging findings

As and when appropriate the Committee will also be provided with:

- Proposals for the Terms of Reference of Internal Audit (via Ministry of Justice Internal Audit Division)
- The Internal Audit strategy
- The Head of Internal Audits annual opinion and report
- Quality assurance reports on the Internal Audit function
- The draft accounts of the Trust
- The draft Statement on Internal Control
- A report on any changes to accounting policies
- External Audit strategy
- External Audits management letter
- A report on any proposals to tender for audit functions
- A report on co-operation between Internal and External Audit

These Terms of Reference are based on the HM Treasury Audit Committee Handbook March 2007