

TERMS OF REFERENCE

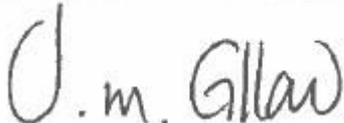
for the

University Hospitals Dorset
NHS Foundation Trust

Audit Committee

DOCUMENT DETAILS

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Signed:	
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March 2026	1	March 2027	11 March 2026	Director of Corporate Governance	New Terms of Reference template

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COMMITTEE NAME:	Audit Committee
PURPOSE (1.2):	<p>The Audit Committee is established by the Board to provide independent oversight and assurance to the Board regarding the adequacy and effectiveness of the Trust's governance, risk management and internal control systems across the Trust.</p> <p>It supports delivery of the Trust's objectives by reviewing risk-related disclosures, assurance processes and compliance with statutory, regulatory and code of conduct requirements.</p> <p>The Committee follows an annual programme of business but remains flexible to emerging risks and priorities.</p>
RESPONSIBILITIES (2.1):	<p>The Committee is responsible for the following:</p> <p>Governance, Risk Management and Internal Control</p> <ul style="list-style-type: none"> • Review the overall effectiveness of governance, risk management and internal control arrangements across the Trust, ensuring they remain fit for purpose and aligned with current regulation and guidance with the intention of supporting Boards in evaluating their assurance systems. • Scrutinise the design and operation of the Board Assurance Framework, ensuring strategic risks are accurately described, controls are effective, and sources of assurance are reliable. • Assess how risk management processes identify, score, monitor and mitigate risks, including the Trust's alignment with system-wide risks where applicable. • Review the interaction between operational, clinical, financial, information and system risks to ensure assurance gaps are addressed. • Receive reports on significant control failures, thematic issues or emerging risks, ensuring that corrective and preventative actions are implemented. <p>Internal Audit</p> <ul style="list-style-type: none"> • Approve the annual internal audit plan and ensure that it provides sufficient coverage of key risk areas, reflecting changes in Trust and NHS system risk profiles. • Assess internal audit's independence, resourcing, skills mix and performance. • Review all internal audit reports, paying particular attention to high-risk findings, overdue actions, and areas of repeated weakness. • Monitor the Trust's responsiveness to internal audit recommendations, ensuring agreed actions are implemented promptly. • Hold private meetings with internal audit to promote openness and discuss any concerns about access, management influence or emerging risks. • Ensure that internal audit contributes effectively to the annual governance statement.

External Audit

- Review and discuss the external audit strategy, scope, and timetable, confirming adequate coverage of key accounting and risk areas.
- Monitor the external audit findings, including value-for-money conclusions, and the effectiveness of management responses.
- Ensure that audit recommendations are implemented in a timely and thorough manner.
- Meet privately with external auditors to explore concerns, independence, emerging audit issues, or limitations in scope.
- Advise the Board on the external audit opinion for the Annual Report and Accounts.

Counter Fraud and Anti-Crime Measures

- Oversee local counter-fraud services, ensuring compliance with NHS requirements for the detection, prevention and investigation of fraud.
- Review reports of suspected fraud, financial irregularities or bribery cases and ensure appropriate action is taken.
- Consider thematic fraud risks (procurement, payroll, cyber-enabled fraud, etc.) and monitor how the Trust mitigates them.
- Support the development of a strong anti-fraud culture through training, communication and assurance processes.

Financial Reporting and Annual Accounts

- Review accounting policies, significant judgements, estimates, impairments, provisions and their associated risks.
- Ensure that the Annual Report and Accounts comply with statutory requirements and NHS England guidance before recommending them to the Board.
- Review the narrative content, including performance reporting, governance disclosures and the annual governance statement, ensuring accuracy and transparency.
- Monitor processes for financial reporting throughout the year, not only at year-end.

Other Assurance Functions

- Review the effectiveness of wider assurance functions such as quality governance, workforce, operational performance, estates, IT, information governance and cyber security.
- Ensure all relevant assurance providers (internal audit, external audit, counter fraud, clinical audit, CQC inspections, NHS England reviews, internal compliance audits) contribute to an integrated assurance picture.
- Seek assurance that committees reporting to the Board do not leave unaddressed gaps or duplications in oversight.

Speaking Up, Whistleblowing and Staff Voice

- Review the effectiveness of Freedom to Speak Up arrangements, ensuring they protect the independence and safety of individuals raising concerns.

	<ul style="list-style-type: none"> • Receive reports from the Freedom to Speak Up Guardian on trends, themes and management responsiveness. • Assess cultural indicators of openness, speak-up climate and psychological safety. <p>Information Governance, Data Protection and Cyber Security</p> <ul style="list-style-type: none"> • Review arrangements for information governance compliance, including Data Security and Protection Toolkit outcomes and internal assessments. • Oversee cyber-security risk management, ensuring resilience, incident response, penetration testing, and threat intelligence are appropriately managed. • Monitor data breaches, learning outcomes, and mitigation measures. <p>Compliance, Regulation and Statutory Reporting</p> <ul style="list-style-type: none"> • Monitor compliance with NHS England requirements, statutory obligations, financial controls, Standing Orders and the Scheme of Delegation. • Ensure that NHS England and HM Treasury Guidance on Exit-Related Payments is followed • Ensure that compliance reporting is accurate and that non-compliance is escalated appropriately. • Oversee the system for managing regulatory recommendations (CQC, NHSE, internal/external reviews). <p>System Assurance and Partnership Working</p> <ul style="list-style-type: none"> • Review governance arrangements and risks associated with Integrated Care System (ICS) participation, provider collaboratives and joint ventures. • Ensure that system-level controls, risk sharing, data sharing and governance frameworks are adequately designed and operated. • Examine how system working influences Trust risk, assurance and reporting. <p>Committee Effectiveness and Governance Development</p> <ul style="list-style-type: none"> • Conduct an annual self-assessment to evaluate effectiveness and compliance with the current regulation and guidance • Review its skills mix and training needs. • Oversee the quality and timeliness of papers, minutes, action logs and reporting. • Review its Terms of Reference at least annually and recommend updates to the Board.
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MEMBERS (3.1):	<p>Membership of the Committee comprises:</p> <ul style="list-style-type: none"> • Four Non-Executive Directors (excluding the Trust Chair) <p>At least one must be a qualified accountant with recent and relevant financial experience.</p>	STANDING ATTENDEES (3.2):	<p>Standing attendees:</p> <ul style="list-style-type: none"> • External audit representatives • Internal audit representatives
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	<p>At least one must also be a member of the Quality Committee.</p> <p>Membership must collectively include sector-relevant competence</p>		<ul style="list-style-type: none"> • Local anti-crime service representatives • Chief Finance Officer • Chief Nursing Officer • Director of Corporate Governance <p>Chief Executive Officer attends at least annually.</p>
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APPROVED

CHAIR (3.3):	Non-Executive Director (not the Trust Chair or Vice-Chair)	DEPUTY CHAIR (3.3):	Non-Executive Director Deputy Chair (not the Trust Chair or Vice-Chair)	SECRETARY (5.5):	The Director of Corporate Governance or their nominee. They will also be responsible for preparing minutes and updating action log.
MEETING TIMING (FREQUENCY AND DURATION) (5.1):	The Committee will meet at least quarterly with additional meetings scheduled as required.		QUORUM (5.2)	Meetings will be quorate if at least two members are present: <ul style="list-style-type: none"> • Chair (or Deputy Chair) • one Non-Executive Director 	
ACCOUNTABLE TO: (the Accountable Group) (6)	The Committee is accountable to the Board of Directors.		REPORTING GROUPS (6.5):	The Committee receives reports from sub-groups of the Trust Management Group and Finance and Performance Committee, Quality Committee and People and Culture Committee when matters require escalation.	

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

TERMS OF REFERENCE

1. PURPOSE

- 1.1 The Trust's vision is to positively transform its health and care services as part of the Dorset Integrated Care System. Its mission is to provide excellent healthcare for its patients and wider community and be a great place to work now and for future generations.
- 1.2 The purpose of the Committee and how it will achieve its purpose is as set out above.
- 1.3 The Committee has no executive powers other than those specifically delegated in these terms of reference.

2. RESPONSIBILITIES

- 2.1 The responsibilities of the Committee are set out above.

3. MEMBERSHIP/ ATTENDANCE

- 3.1 Membership of the Committee is set out above.
- 3.2 Standing attendees are set out above. In addition, other individuals may be invited to attend with agreement of the Chair (or in their absence the Deputy Chair).
- 3.3 The Committee will be chaired by the role holder above. A Deputy Chair may be nominated. In the absence of the Chair and/or an appointed Deputy Chair, the remaining members will elect another member to present to chair the meeting (which, in the case of a Board Committee will be a Non-Executive Director).
- 3.4 Subject to paragraph 3.2 above, only members of the Committee have the right to attend meetings. If a standing member is unable to attend, they may exceptionally send a deputy to the meeting. (In the case of a Board Committee, a deputy will not have voting rights at the meeting). The Chair or other person chairing the meeting may ask any or all of those who attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.
- 3.5 Committee members should aim to attend all scheduled meetings but in any event are expected to attend a minimum of three quarters of all meetings. For the purposes of calculating attendance, a deputy attending on behalf of a member will not count towards the members' attendance. A record of members' attendance will be maintained.

4. AUTHORITY

- 4.1 The Committee is authorised to approve its governance cycle.

- 4.2 The Committee is authorised by the Board to investigate/review any activity within the Terms of Reference.
- 4.3 The Committee is authorised by the Board to obtain any external advice it requires to discharge its duties and to request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.
- 4.4 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

5. CONDUCT OF BUSINESS

- 5.1 The Committee will normally meet at the frequency set out above and at such other times as the Chair will require.
- 5.2 Meetings of the Committee will be quorate if there are at least the members present set out above for a quorum.
- 5.3 If a meeting of the Committee is inquorate, then the meeting can progress if those present determine. However, no business will be transacted.
- 5.4 Meetings of the Committee will be called by the secretary at the request of the Chair. The Secretary of the Committee will be as stated above.
- 5.5 The secretary (or their nominee) is responsible for preparing the agenda for agreement by the Committee Chair. The secretary (or their nominee) will collate and circulate papers to Committee members. Unless otherwise agreed by the Committee Chair, papers should be provided no less than seven working days before the meeting and the agenda and papers should be circulated no less than five working days before the meeting.
- 5.6 Under exceptional circumstances, in the case of emergency or urgency, items of business may be conducted outside of formal meetings. This should normally be agreed by the Committee in advance and carried out either by: Chair's action, calling an extraordinary meeting or reaching consensus on a decision by e-mail. Any decisions made in this manner must be formally ratified by the Committee at the next meeting.
- 5.7 Committee business may be transacted through virtual media (including but not limited to video conferencing). At the start of each meeting taking place without all parties physically present, the Chair will be responsible for determining that the meeting is quorate.
- 5.8 Proceedings and decisions made will be recorded in the form of minutes (as specified above), which will be submitted to the next meeting of the Committee for approval.
- 5.9 Members will be expected to conduct business in line with the Trust's values and objectives.

6. RELATIONSHIPS AND REPORTING

- 6.1 The Committee will be accountable to the Board of Directors (the Accountable Group), to whom it will make recommendations in relation to issues that require decision or resolution.
- 6.2 The Committee will present a report summarising the proceedings of each of its meetings at the next meeting of the Board of Directors. For the avoidance of doubt, where practicable, this will be a written report, with a verbal update being provided as necessary.
- 6.4 The Committee may refer to the other groups specified above any matters requiring review or decision in such forum(s).
- 6.5 The Committee will receive reports from the Reporting Groups set out above.

7. MONITORING

- 7.1 Attendance will be monitored at each Committee meeting. A matrix (see example at Appendix A) of membership attendees will be used for monitoring purposes.
- 7.2 The Trust's Annual Report will include attendance of members, frequency of meetings and whether meetings were quorate.
- 7.3 On an annual basis, the Committee will provide a self-assessment report to the Board of Directors detailing how the Committee has discharged its obligations as set out within its terms of reference, specifically incorporating an assessment of its effectiveness and making recommendations for improvement, where appropriate.

8. REVIEW

- 8.1 These Terms of Reference will be reviewed annually or sooner if appropriate.
- 8.2 The position of the Chair of the Committee will be reviewed at least every three years.

APPENDIX A

ATTENDANCE AT COMMITTEE MEETINGS

NAME OF [Amend as appropriate: COMMITTEE/	[Insert name of Committee]											
Present (include names of members present at the meeting)	Meeting Dates											
In Attendance												
Was the meeting quorate? Y / N (Please refer to Terms of Reference)												