

*July 2017*

# Audit Policy

Live  Care

Date Written	14.07.2017
Author(s)	Registered manager
Version	2.0
Date Signed Off	19/07/2017
Reviewed by	

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# Review Data

## Initial Production

Name	Role/Department	RACI	Date
Registered manager	Registered Manager	RA	14.07.2017
Registered manager	Registered Manager	RA	04.12.2017

R = Responsible for document production; A = Accountable; C = Consulted; I = Informed

## Change History

Version	Date	Details of Change	Author
2.0	14.07.2017	Re-write and re-structure of original policy in line with most recent legislative updates.	Registered manager

## Emergency Contact Details

Name	Email	Mobile
Registered manager	fran@livein.care	

## CQC Fundamental Standards

Regulation Number	Regulation Details
Regulation 17: Good governance	To meet this regulation; providers must have effective governance, including assurance and auditing systems or processes

## Key Lines of Enquiry

KLOE	How this applies to Data Protection
Well led	As a well led organisation, we ensure The company operates a continual audit and self-monitoring programme.

## Related Documents

This policy should be read in conjunction with our:

- **Confidentiality Policy**
- **Dignity and Respect Policy**

## Policy Aims

The audit committee of Living Carers Ltd is appointed to assist the Registered Manager in fulfilling its oversight responsibilities for:

1. Financial reporting
2. Risk management
3. Internal controls
4. Internal audit
5. External audit
6. Compliance
7. Whistleblowing process

## Policy Statement

Living Carers Ltd is subject to internal audit and to external audit by regulators.

Living Carers Ltd.'s Registered Manager, Registered manager, take responsibility for managing external audits by the Care Quality Commission, NHS or Crown Commercial Service for the UK.

## Responsibilities

The Registered Manager is responsible for maintaining Living Carers Ltd records in a state of readiness for audit by Care Quality Commission and Inspectors and for taking steps to implement improvements, as required.

All recruitment files are held electronically and therefore all information is immediately accessible locally. The company operates a continual audit and self-monitoring programme.

### Key Question: Who makes up with audit committee?

The audit committee will consist of two to five members with most the members selected from Senior Staff, and one may be selected from outside the organisation. The Director should attempt to appoint committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.

## Meetings

The audit committee will meet **as often as it determines is appropriate**, but not less frequently than quarterly. **All committee members are expected to attend each meeting**, in person or via tele- or video- conference, with a minimum of two required. The committee periodically will hold **individual meetings with management**, the internal auditor and the external auditor. The audit committee may invite any officer or employee of the agency, the external auditor, the agency's outside counsel, or others to attend meetings and provide pertinent information.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

**Minutes will be kept by a member of the audit committee or a person designated by the audit committee.**

## Responsibilities

The audit committee will carry out the following responsibilities:

### Financial Reporting

- a. Obtain information and/or training to enhance the committee members' expertise in financial reporting standards and processes so the committee may adequately oversee financial reporting.
- b. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory compliance, and understand their impact on the financial statements.
- c. Review with management, the external auditors, and the internal auditors the results of the external audit, significant adjustments or revisions to the financial statements, including the effectiveness of the internal control structure and procedures for financial reporting and any difficulties encountered.
- d. Inquire as to the external auditors' independent judgment about the appropriateness, not just the acceptability, of the accounting principles adopted by Living Carers Ltd and clarity of financial statements.
- e. Review the annual financial statements, consider whether they are complete, consistent with information known to the committee, and reflect appropriate accounting principles.

- f. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- g. Review the responsiveness and timeliness of management's actions to address findings and recommendations resulting from the financial statement audit or internal audits.
- h. Review the status of legal matters that may influence the financial statements, as deemed appropriate.

### **Risk Management**

- a. Obtain information and/or training to enhance the committee's understanding of organisation and its related risk-management processes.
- b. Review the adequacy of Living Carers Ltd's policy on risk management.
- c. Review the effectiveness of Living Carers Ltd's system for assessing, monitoring, and controlling significant risks or exposures.
- d. Review management reports on risks and related risk mitigations.
- e. Hire outside experts and consultants in risk management, as necessary, subject to full board approval.

### **Internal Control**

- a. Obtain information and/or training to enhance the committee's understanding of Living Carers Ltd's system of internal control.
- b. Consider the effectiveness of the organisation's internal control system, including information technology security and control.
- c. Understand the scope of the external auditor's review of the organisation's internal control over financial reporting.
- d. Review internal and external audit findings and recommendations, together with management's responses.

### **Key Question: What's the internal audit process?**

- a. Obtain information and/or training to enhance the Living Carers Ltd's understanding of the internal audit function.
- b. Periodically review and approve the internal auditing processes.
- c. Concur in the appointment, replacement, or dismissal of the auditing process.
- d. Review the performance of the internal audit function annually.
- e. Review and confirm, through organisational structure and/or by other means, the independence of the internal audit function annually.
- f. Review with management the objectives, plans, activities, and organisational structure of the internal audit function.
- g. Review and approve the risk-based internal audit annual plan.
- h. Review internal audit reports provided to the audit committee.
- i. Review the responsiveness and timeliness of management's follow-up activities to any reported findings and recommendations.
- j. Bring to the attention of the board any internal audit issues the committee determines significant and appropriate for consideration by the board.

### **Engagement of External Auditors**

- a. Obtain the information and/or training to enhance the committee's understanding of Living Carers Ltd's financial statements audit and the role of external auditors.
- b. Review the performance of the external financial statement audit firm, and review the recommendation for the final approval on the request for proposal for, and the appointment, retention or discharge of the audit firm.
- c. Review the external auditor's audit scope and approach, including coordination of efforts with internal audit.
- d. Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organisation for all audit and non-audit services.

### **Compliance**

- e. Review the effectiveness of Living Carers Ltd's system for monitoring compliance with laws and regulations, contracts, and policies and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- f. Review the findings of any examinations by regulatory agencies, any auditor observations related to compliance, and the responsiveness and timeliness of management's actions to address the findings/observations.
- g. Obtain updates from management and organisation legal counsel regarding compliance matters, as needed.

### Key Question: What other responsibilities are there?

- a. Report at least annually to the Director the committee activities, audit issues, and related recommendations.
- b. Confirm annually all responsibilities outlined have been carried out.
- c. Evaluate the committee's performance and report the results of the evaluation to the Director annually.
- d. Provide an open avenue of communication between the internal auditors, external auditors, management and the Director.
- e. Avoid conflicts of interest.
- f. Perform other activities related to this as requested by the Director and/or the Registered Manager.

### Key Points to Take Away

- The audit committee will meet **as often as it determines is appropriate**, but not less frequently than quarterly. **All committee members are expected to attend each meeting**,
- The audit committee will consist of two to five members with most the members selected from senior staff, and one may be selected from outside the organisation.
- Report at least annually to the Director the committee activities, audit issues, and related recommendations.

### Policy Review

This policy will be reviewed by the Registered Manager at least annually to make any updates and amendments necessary to ensure the policy conforms to current legislation, reflects current practice and expectations.



## Authorisation and Signature

This Policy is the official and authorised version agreed by the Directors of Living Carers Ltd. All employees are expected to work in accordance with this policy and failure to comply with this policy could result in disciplinary action.

### Registered Manager

04.12.2017

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